

CHAPTER 1112CHILDREN UNDER OUT-OF-HOME PLACEMENT ORDERS
— IDENTITY DOCUMENTS*S.F. 2340*

AN ACT requiring certain identity documents to be provided to children subject to a court order for out-of-home placement.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 232.2, subsection 4, paragraph f, Code Supplement 2007, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (3) Provision for the department or a designee of the department on or before the date the child reaches age eighteen to provide to the child a certified copy of the child's birth certificate and to facilitate securing a federal social security card. The fee for the certified copy that is otherwise chargeable under section 144.13A, 144.46, or 331.605 shall be waived by the state or county registrar.

Approved April 22, 2008

CHAPTER 1113TRANSPORTATION FEES, FUNDS,
AND REVENUE SOURCES — TIME-21*S.F. 2420*

AN ACT relating to and increasing motor vehicle and trailer registration fees and title fees, allocating new revenues from fees to the TIME-21 fund, requiring the department of transportation to conduct an analysis of TIME-21 funding and a study of public transit funding, increasing the motorcycle operator's license fee and allocating the increased revenue to the motorcycle rider education fund, reallocating certain fees collected by the department of transportation, repealing the use tax on vehicles subject to registration and the use tax on certain leased motor vehicles, establishing a fee for new registration of vehicles, providing penalties, and providing effective and applicability dates.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I
MOTOR VEHICLES

Section 1. Section 312.2, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 19. a. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the TIME-21 fund created in section 312A.2, the revenue accruing to the road use tax fund from annual motor vehicle registration fees for passenger cars, multipurpose vehicles, and motor trucks in excess of three hundred ninety-two million dollars annually.

b. This subsection is repealed June 30, 2028.

Sec. 2. Section 321.1, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. "Business-trade truck" means a motor truck with an unladen weight of ten thousand pounds or less which is owned by a corporation, limited liability company, or partnership or by a person who files a schedule C or schedule F form with the federal internal revenue service and which is eligible for depreciation under section 167 of the Internal Revenue Code. If the motor truck is a leased vehicle, the motor truck is a business-trade truck only if the lessee is a corporation, limited liability company, or partnership and the truck is used primarily for purposes of the business operations of the corporation, limited liability company, or partnership or the lessee is a person who files a schedule C or schedule F form with the federal internal revenue service and the truck is used primarily for purposes of the person's own business or farming operation.

Sec. 3. Section 321.109, subsection 1, paragraph a, Code 2007, is amended to read as follows:

a. The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, and 1993 and subsequent model years for year multipurpose vehicles, and 2010 and subsequent model year motor trucks with an unladen weight of ten thousand pounds or less, except motor trucks registered under section 321.122, business-trade trucks, special trucks, motor homes, ambulances, hearses, motorcycles, motorized bicycles, and 1992 and older model years for year multipurpose vehicles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident's state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ten dollars shall be paid. And provided, however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident's state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed; and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer's or importer's certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of ten dollars, issue a certificate of title in the name and address of the nonresident purchaser delivering the title to the owner. If there is a security interest noted on the title, the county treasurer shall mail to the secured party an acknowledgment of the notation of the security interest. The county treasurer shall not release a security interest that has been noted on a title issued to a nonresident purchaser as provided in this paragraph. The application requirements of section 321.20 apply to a title issued as provided in this subsection, except that a natural person who applies for a certificate of title shall provide either the person's social security number, passport number, or driver's license number, whether the license was issued by this state, another state, or another country. The provisions of this subsection relating to multipurpose vehicles are effective January 1, 1993, for all 1993 and subsequent model years. The annual registration fee for multipurpose vehicles that are 1992 model years and older shall be in accordance with section 321.124.

Sec. 4. Section 321.113, Code 2007, is amended to read as follows:

321.113 AUTOMATIC REDUCTION.

1. The annual registration fee for a motor vehicle shall not be automatically reduced under this section unless the registration fee is based on the value and weight of the motor vehicle as provided in section 321.109, subsection 1.

2. If a motor vehicle is more than five seven model years old, the part of the annual registration fee that is based on the value of the vehicle shall be seventy-five percent of the rate as fixed when the motor vehicle was new and the total fee shall not be less than fifty dollars; except that if the registration is a renewal for a vehicle registered to the same owner prior to January 1, 2009, the annual registration fee shall not be more than the fee paid for the previous registration year.

3. If a motor vehicle is more than six nine model years old, the part of the annual registration fee that is based on the value of the vehicle shall be fifty percent of the rate as fixed when the motor vehicle was new and the total fee shall not be less than fifty dollars; except that if the registration is a renewal for a vehicle registered to the same owner prior to January 1, 2009, the annual registration fee shall not be more than the fee paid for the previous registration year.

4. If a 1994 model year or newer motor vehicle is nine model years old or older the registration fee is thirty-five dollars. For purposes of determining the portion of the registration fee under this subsection that is based upon the value of the motor vehicle, sixty percent of the registration fee is attributable to the value of the vehicle.

5. a. If a 1993 model year or older motor vehicle has been titled in the same person's name since the vehicle was new or the title to the vehicle was transferred prior to January 1, 2002, the part of the registration fee that is based on the value of the vehicle shall be ten percent of the rate as fixed when the motor vehicle was new.

b. If the title of a 1993 model year or older motor vehicle is transferred to a new owner or if such a motor vehicle is brought into the state on or after January 1, 2002, the registration fee shall not be based on the weight and list price of the motor vehicle, but shall be as follows:

(1) For a motor vehicle that is model year 1969 or older:	\$ 16.00
(2) For a motor vehicle that is model year 1970 through 1989:	\$ 23.00
(3) For a motor vehicle that is model year 1990 through 1993:	\$ 27.00

For purposes of determining the portion of the registration fee under this paragraph "b" that is based upon the value of the motor vehicle, sixty percent of the registration fee is attributable to the value of the vehicle.

4. a. Except as provided in paragraph "b", if a motor vehicle is twelve model years old or older, the annual registration fee is fifty dollars; except that if the registration is a renewal for a vehicle registered to the same owner prior to January 1, 2009, the annual registration fee shall not be more than the fee paid for the previous registration year.

b. If the registration is a renewal for a motor vehicle registered as an antique vehicle by the same owner prior to January 1, 2009, the annual registration fee shall be twenty-three dollars for a motor vehicle that is model year 1970 through 1983 and sixteen dollars for a motor vehicle that is model year 1969 or older.

c. For purposes of determining the portion of an annual registration fee under paragraph "a" or "b" that is based upon the value of the motor vehicle, sixty percent of the annual registration fee is attributable to the value of the vehicle.

Sec. 5. NEW SECTION. 321.120 BUSINESS-TRADE TRUCKS.

1. The annual registration fee for a business-trade truck shall be determined pursuant to section 321.122, subsection 1, paragraph "a".

2. Upon application for a new registration, an owner who registers a motor vehicle as a business-trade truck shall be required to provide proof or affirm that the vehicle meets the definition of a business-trade truck. The department may adopt rules as necessary to prescribe the documentation required of the applicant as proof or affirmation under this subsection but shall not require that such documentation be notarized. If requested by the department of transportation or a county treasurer, the department of revenue shall confirm or refute, according to the most recent records available, that an applicant for registration of a business-trade truck

is either a corporation, limited liability company, or partnership or a person who files a schedule C or schedule F form for federal income tax purposes and that the corporation, limited liability company, partnership, or person is allowed a depreciation deduction with respect to the vehicle under section 167 of the Internal Revenue Code.

3. Upon approval of the application and payment of the proper fees, the county treasurer shall issue registration plates for the vehicle which distinguish the vehicle as a business-trade truck.

4. If the department determines by audit or other means that a person has registered a vehicle as a business-trade truck that is not qualified for such registration, the person shall be required to pay the difference between the regular annual registration fees owed for the vehicle for each year the vehicle was registered in violation of this section and the fees actually paid.

5. If the department determines by audit or other means that the person had knowingly registered a vehicle as a business-trade truck that is not qualified for such registration, the person shall be required to pay a penalty for improper registration in the amount of seven hundred fifty dollars for each registration year in which the vehicle was registered in violation of this section, not to exceed two thousand two hundred fifty dollars.

Sec. 6. Section 321.121, Code 2007, is amended to read as follows:

321.121 SPECIAL TRUCKS FOR FARM USE.

1. a. Except as provided in paragraph "b", the annual registration fee for a special truck with a gross weight of six tons shall be one hundred dollars, and the annual registration fee for a special truck with a gross weight exceeding six tons but not exceeding eighteen tons shall be as follows:

<u>For a gross weight exceeding:</u>	<u>And not exceeding:</u>	<u>The annual registration fee shall be:</u>
6 Tons	7 Tons	\$ 125
7 Tons	8 Tons	\$ 155
8 Tons	9 Tons	\$ 170
9 Tons	10 Tons	\$ 190
10 Tons	11 Tons	\$ 205
11 Tons	12 Tons	\$ 225
12 Tons	13 Tons	\$ 245
13 Tons	14 Tons	\$ 265
14 Tons	15 Tons	\$ 280
15 Tons	16 Tons	\$ 295
16 Tons	17 Tons	\$ 305
17 Tons	18 Tons	\$ 315

b. The If the registration is a renewal for a special truck registered to the same owner prior to January 1, 2009, the annual registration fee for a special truck shall be eighty dollars for a gross weight of six tons, one hundred dollars for a gross weight of seven tons, one hundred twenty dollars for a gross weight of eight tons, and in addition, fifteen dollars for each ton over eight tons and not exceeding eighteen tons.

c. The registration fee for a special truck with a gross weight registration exceeding eighteen tons but not exceeding nineteen tons shall be three hundred twenty-five dollars and for a gross weight registration exceeding nineteen tons but not exceeding twenty tons the registration fee shall be three hundred seventy-five dollars.

d. The additional registration fee for a special truck for a gross weight registration in excess of twenty tons is twenty-five dollars for each ton over twenty tons and not exceeding thirty-two tons.

2. A person convicted of or found by audit to be using a motor vehicle registered as a special truck for any purpose other than permitted by section 321.1, subsection 76, shall, in addition to any other penalty imposed by law, be required to pay regular motor vehicle registration fees upon such motor vehicle.

Sec. 7. Section 321.122, subsection 1, Code 2007, is amended to read as follows:

1. The annual registration fee for truck tractors, road tractors, and motor trucks, except 2010 and subsequent model year motor trucks required to be registered under section 321.109 and motor trucks registered as special trucks, shall be based on the combined gross weight of the vehicle or combination of vehicles. All such trucks, truck tractors, or road tractors registered under this section shall be registered for a gross weight equal to or in excess of the unladen weight of the vehicle or combination of vehicles. The annual registration fee for such vehicles or combination of vehicles, except special trucks, shall be: the applicable fee under paragraph "a" or "b".

a. ~~(1) For a combined gross weight of three tons or less sixty-five dollars and a vehicle which is more than ten model years old fifty-five dollars and a vehicle which is more than thirteen model years old forty-five dollars and a vehicle which is more than fifteen years old thirty-five dollars~~ For a combined gross weight of three tons or less, the annual registration fee is one hundred fifty dollars; for such a vehicle more than seven model years old, one hundred twenty dollars; for such a vehicle more than nine model years old, one hundred dollars; and for such a vehicle twelve model years old or older, fifty dollars.

b. ~~(2) For a combined gross weight exceeding three tons, the annual registration fee shall be as set forth in the following schedule:~~

For a combined gross weight exceeding:	And not exceeding:	The annual registration fee shall be:
3 Tons	4 Tons	\$ 80
		<u>165</u>
4 Tons	5 Tons	\$ 90
		<u>180</u>
5 Tons	6 Tons	\$ 105
		<u>195</u>
6 Tons	7 Tons	\$ 130
		<u>215</u>
7 Tons	8 Tons	\$ 165
		<u>220</u>
8 Tons	9 Tons	\$ 200
		<u>225</u>
9 Tons	10 Tons	\$ 235
10 Tons	11 Tons	\$ 270
11 Tons	12 Tons	\$ 305
12 Tons	13 Tons	\$ 340
13 Tons	14 Tons	\$ 375
14 Tons	15 Tons	\$ 445
15 Tons	16 Tons	\$ 485
16 Tons	17 Tons	\$ 525
17 Tons	18 Tons	\$ 565
18 Tons	19 Tons	\$ 610
19 Tons	20 Tons	\$ 675
20 Tons	21 Tons	\$ 715
21 Tons	22 Tons	\$ 755
22 Tons	23 Tons	\$ 795
23 Tons	24 Tons	\$ 835
24 Tons	25 Tons	\$ 965
25 Tons	26 Tons	\$ 1,010
26 Tons	27 Tons	\$ 1,060
27 Tons	28 Tons	\$ 1,105
28 Tons	29 Tons	\$ 1,150
29 Tons	30 Tons	\$ 1,200

30 Tons	31 Tons	\$1,245
31 Tons	32 Tons	\$1,295
32 Tons	33 Tons	\$1,340
33 Tons	34 Tons	\$1,415
34 Tons	35 Tons	\$1,465
35 Tons	36 Tons	\$1,510
36 Tons	37 Tons	\$1,555
37 Tons	38 Tons	\$1,605
38 Tons	39 Tons	\$1,650
39 Tons	40 Tons	\$1,695

b. If the registration is a renewal for a motor vehicle with a combined gross weight of nine tons or less registered to the same owner prior to January 1, 2009, the following applies:

(1) For a combined gross weight of three tons or less, the annual registration fee is sixty-five dollars; for such a vehicle which is more than ten model years old, fifty-five dollars; for such a vehicle which is more than thirteen model years old, forty-five dollars; and for such a vehicle which is more than fifteen model years old, thirty-five dollars.

(2) For a combined gross weight exceeding three tons but not exceeding nine tons, the annual registration fee shall be as set forth in the following schedule:

<u>For a combined gross weight exceeding:</u>	<u>And not exceeding:</u>	<u>The annual registration fee shall be:</u>
<u>3 Tons</u>	<u>4 Tons</u>	<u>\$ 80</u>
<u>4 Tons</u>	<u>5 Tons</u>	<u>\$ 90</u>
<u>5 Tons</u>	<u>6 Tons</u>	<u>\$ 105</u>
<u>6 Tons</u>	<u>7 Tons</u>	<u>\$ 130</u>
<u>7 Tons</u>	<u>8 Tons</u>	<u>\$ 165</u>
<u>8 Tons</u>	<u>9 Tons</u>	<u>\$ 200</u>

c. For a combined gross weight exceeding forty tons, the annual registration fee shall be one thousand six hundred ninety-five dollars plus eighty dollars for each ton over forty tons.

Sec. 8. Section 321.152, Code 2007, is amended to read as follows:

321.152 FEE FOR COLLECTION FEES RETAINED BY COUNTY.

1. A county treasurer may retain for deposit in the county general fund the following:

1. a. Four percent of the total collection for each annual or semiannual vehicle registration and each duplicate registration card or plate issued.

2. b. Two dollars and fifty cents from each fee collected for certificates of title.

3. c. Forty percent of all fees collected for certified copies of certificates of title.

4. d. Sixty percent of all fees collected for perfection of security interests.

e. Twenty-five percent of each penalty collected for improper business-trade truck registration under section 321.120, subsection 5.

2. The moneys retained under subsection 1 shall be deducted, and reported to the department when the county treasurer transfers the money collected under this chapter. However, a deduction is not lawful unless the county treasurer has complied with sections 321.24 and 321.153.

3. This section does not apply to fees collected or retained by a county treasurer pursuant to participation in county issuance of driver's licenses under chapter 321M.

Sec. 9. Section 422.20, subsection 3, unnumbered paragraph 1, Code 2007, is amended to read as follows:

Unless otherwise expressly permitted by section 8A.504, section 421.17, subsections 22, 23, and 26, sections 252B.9, 321.120, 421.19, 421.28, 422.72, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 10. Section 422.72, subsection 3, unnumbered paragraph 1, Code 2007, is amended to read as follows:

Unless otherwise expressly permitted by section 8A.504, section 421.17, subsections 22, 23, and 26, sections 252B.9, ~~321.120~~, 421.19, 421.28, 422.20, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 11. EFFECTIVE DATE AND APPLICABILITY. This division of this Act takes effect January 1, 2009, and applies to vehicles registered for registration years beginning in 2009 and subsequent years.

DIVISION II TITLE FEES

Sec. 12. Section 312.2, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 20. a. The treasurer of state, before making the allotments provided for in this section, shall credit monthly to the TIME-21 fund created in section 312A.2, an amount equal to ten dollars from each fee for issuance of a certificate of title collected pursuant to sections 321.20; 321.20A; 321.23; 321.42; 321.46, other than a title issued for a returned vehicle under section 322G.12; section 321.47; and section 321.109 and an amount equal to eight dollars from each fee collected for issuance of a certificate of title pursuant to section 321.46 for a returned vehicle under section 322G.12 and from each fee collected for issuance of a salvage certificate of title pursuant to section 321.52.

b. This subsection is repealed June 30, 2028.

Sec. 13. Section 321.20, subsection 1, unnumbered paragraph 1, Code 2007, is amended to read as follows:

Except as provided in this chapter, an owner of a vehicle subject to registration shall make application to the county treasurer of the county of the owner's residence, or if a nonresident, to the county treasurer of the county where the primary users of the vehicle are located, or if a lessor of the vehicle pursuant to chapter 321F which vehicle has a gross vehicle weight of less than ten thousand pounds, to the county treasurer of the county of the lessee's residence, or if a firm, association, or corporation with vehicles in multiple counties, the owner may make application to the county treasurer of the county where the primary user of the vehicle is located, for the registration and issuance of a certificate of title for the vehicle upon the appropriate form furnished by the department. However, upon the transfer of ownership, the owner of a vehicle subject to the proportional registration provisions of chapter 326 shall make application for registration and issuance of a certificate of title to either the department or the appropriate county treasurer. The application shall be accompanied by a fee of ~~ten~~ twenty dollars, and shall bear the owner's signature. A nonresident owner of two or more vehicles subject to registration may make application for registration and issuance of a certificate of title for all vehicles subject to registration to the county treasurer of the county where the primary user of any of the vehicles is located. The owner of a mobile home or manufactured home shall make application for a certificate of title under this section from the county treasurer of the county where the mobile home or manufactured home is located. The application shall contain:

Sec. 14. Section 321.20A, subsection 1, Code 2007, is amended to read as follows:

1. Notwithstanding other provisions of this chapter, the owner of a commercial vehicle subject to the proportional registration provisions of chapter 326 may make application to the department or the appropriate county treasurer for a certificate of title. The application for certificate of title shall be made within thirty days of purchase or transfer and shall be accompanied by a ~~ten~~ twenty dollar title fee and the appropriate use tax. The department or the county treasurer shall deliver the certificate of title to the owner if there is no security interest. If there

is a security interest, the title, when issued, shall be delivered to the first secured party. Delivery may be made using electronic means.

Sec. 15. Section 321.23, subsections 1 and 4, Code 2007, are amended to read as follows:

1. If the vehicle to be registered is a specially constructed, reconstructed, or foreign vehicle, such fact shall be stated in the application. A fee of ~~ten~~ twenty dollars shall be paid by the person making the application upon issuance of a certificate of title by the county treasurer. For a specially constructed or reconstructed motor vehicle subject to registration, the application shall be accompanied by a statement from the department authorizing the motor vehicle to be titled and registered in this state. The department shall cause a physical inspection to be made of all specially constructed or reconstructed motor vehicles, upon application for a certificate of title by the owner, to determine whether the motor vehicle complies with the definition of specially constructed motor vehicle or reconstructed motor vehicle in this chapter and to determine that the integral component parts are properly identified and that the rightful ownership is established before issuing the owner the authority to have the motor vehicle registered and titled. The purpose of the physical inspection under this section is not to determine whether the motor vehicle is in a condition safe to operate. The owner of a specially constructed or reconstructed vehicle shall apply for a certificate of title and registration for the vehicle at the county treasurer's office within thirty days of the inspection. For a foreign vehicle which has been registered outside this state, the owner shall surrender to the treasurer all registration plates, registration cards, and certificates of title, or if the vehicle to be registered is from a non-title state, the evidence of foreign registration and ownership as may be prescribed by the department except as provided in subsection 2.

4. A vehicle which does not meet the equipment requirements of this chapter due to the particular use for which it is designed or intended, may be registered by the department upon payment of appropriate fees and after inspection and certification by the department that the vehicle is not in an unsafe condition. A person is not required to have a certificate of title to register a vehicle under this subsection. If the owner elects to have a certificate of title issued for the vehicle, a fee of ~~ten~~ twenty dollars shall be paid by the person making the application upon issuance of a certificate of title. If the department's inspection reveals that the vehicle may be safely operated only under certain conditions or on certain types of roadways, the department may restrict the registration to limit operation of the vehicle to the appropriate conditions or roadways. This subsection does not apply to snowmobiles as defined in section 321G.1. Section 321.382 does not apply to a vehicle registered under this subsection which is operated exclusively by a person with a disability who has obtained a persons with disabilities parking permit as provided in section 321L.2, if the persons with disabilities parking permit is carried in or on the vehicle and shown to a peace officer on request.

Sec. 16. Section 321.42, subsection 2, paragraph a, Code 2007, is amended to read as follows:

a. If a certificate of title is lost or destroyed, the owner or lienholder shall apply for a replacement copy of the original certificate of title. The owner or lienholder of a motor vehicle may also apply for a replacement copy of the original certificate of title upon surrender of the original certificate of title with the application. The application shall be made to the department or county treasurer who issued the original certificate of title. The application shall be signed by the owner or lienholder and accompanied by a fee of ~~ten~~ twenty dollars.

Sec. 17. Section 321.46, subsection 2, Code 2007, is amended to read as follows:

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of ~~ten~~ twenty dollars and a registration fee prorated for the remaining unexpired months of the registration year. A manufacturer applying for a certificate of title pursuant to section 322G.12 shall pay a title fee of ~~two~~ ten dollars. However, a title fee shall not be charged to a manufactured or mobile home retailer applying for a certificate of title for a used mobile home or manufactured home, titled in Iowa, as required under section 321.45, subsection 4. The county treasurer, if satisfied of the genuineness and regularity of the application, and in

the case of a mobile home or manufactured home, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, manufactured home, or a vehicle returned to and accepted by a manufacturer as described in section 322G.12, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured homes titled under chapter 448 that have been subject under section 446.18 to a public bidder sale in a county shall be titled in the county's name, with no fee, and the county treasurer shall issue the title.

Sec. 18. Section 321.47, unnumbered paragraph 1, Code 2007, is amended to read as follows:

If ownership of a vehicle is transferred by operation of law upon inheritance, devise or bequest, dissolution decree, order in bankruptcy, insolvency, replevin, foreclosure or execution sale, abandoned vehicle sale, or when the engine of a motor vehicle is replaced by another engine, or a vehicle is sold or transferred to satisfy an artisan's lien as provided in chapter 577, a landlord's lien as provided in chapter 570, a storage lien as provided in chapter 579, a judgment in an action for abandonment of a manufactured or mobile home as provided in chapter 555B, upon presentation of an affidavit relating to the disposition of a valueless mobile, modular, or manufactured home as provided in chapter 555C, or repossession is had upon default in performance of the terms of a security agreement, the county treasurer in the transferee's county of residence or, in the case of a mobile home or manufactured home, the county treasurer of the county where the mobile home or manufactured home is located, upon the surrender of the prior certificate of title or the manufacturer's or importer's certificate, or when that is not possible, upon presentation of satisfactory proof to the county treasurer of ownership and right of possession to the vehicle and upon payment of a fee of ~~ten~~ twenty dollars and the presentation of an application for registration and certificate of title, may issue to the applicant a registration card for the vehicle and a certificate of title to the vehicle. A person entitled to ownership of a vehicle under a decree of dissolution shall surrender a reproduction of a certified copy of the dissolution and upon fulfilling the other requirements of this chapter is entitled to a certificate of title and registration receipt issued in the person's name.

Sec. 19. Section 321.52, subsection 4, paragraph a, Code Supplement 2007, is amended to read as follows:

a. A vehicle rebuilder or a person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered in this state, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title, to the county treasurer of the county of residence of the purchaser or transferee within thirty days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle. This subsection applies only to vehicles with a fair market value of five hundred dollars or more, based on the value before the vehicle became wrecked or salvage. Upon payment of a fee of ~~two~~ ten dollars, the county treasurer shall issue a salvage certificate of title which shall bear the word "SALVAGE" stamped or printed on the face of the title in a manner prescribed by the department. A salvage certificate of title may be assigned to an educational institution, a new motor vehicle dealer licensed under chapter 322, a person engaged in the business of purchasing bodies, parts of bodies, frames or component parts of vehicles for sale as scrap metal, a salvage pool, or an authorized vehicle recycler licensed under chapter 321H. An authorized vehicle recycler licensed under chapter 321H or a new motor vehicle dealer licensed under chapter 322 may assign or reassign an Iowa salvage certificate of title or a salvage certificate of title from another state to any person, and the provisions of section 321.24, subsection 5, requiring issuance of an Iowa salvage certificate of title shall not apply. A vehicle on which ownership has transferred to an insurer of the vehicle as a result of a settlement with the owner of the vehicle arising out of damage to, or unrecovered theft of, the vehicle shall be deemed

to be a wrecked or salvage vehicle and the insurer shall comply with this subsection to obtain a salvage certificate of title within thirty days after the date of assignment of the certificate of title of the vehicle.

Sec. 20. Section 321.109, subsection 1, paragraph a, Code 2007, is amended to read as follows:

a. The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, and 1993 and subsequent model years for multipurpose vehicles, except motor trucks, motor homes, ambulances, hearses, motorcycles, motorized bicycles, and 1992 and older model years for multipurpose vehicles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident's state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ten dollars shall be paid. And provided, however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident's state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed; and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer's or importer's certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of ~~ten~~ twenty dollars, issue a certificate of title in the name and address of the nonresident purchaser delivering the title to the owner. If there is a security interest noted on the title, the county treasurer shall mail to the secured party an acknowledgment of the notation of the security interest. The county treasurer shall not release a security interest that has been noted on a title issued to a nonresident purchaser as provided in this paragraph. The application requirements of section 321.20 apply to a title issued as provided in this subsection, except that a natural person who applies for a certificate of title shall provide either the person's social security number, passport number, or driver's license number, whether the license was issued by this state, another state, or another country. The provisions of this subsection relating to multipurpose vehicles are effective January 1, 1993, for all 1993 and subsequent model years. The annual registration fee for multipurpose vehicles that are 1992 model years and older shall be in accordance with section 321.124.

Sec. 21. EFFECTIVE DATE. This division of this Act takes effect January 1, 2009.

DIVISION III TRAILER REGISTRATION FEES

Sec. 22. Section 312.2, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 21. a. The treasurer of state, before making the allotments provided for in this section, shall credit monthly to the TIME-21 fund created in section 312A.2 an amount equal to ten dollars from each trailer registration fee collected pursuant to section 321.123, subsection 1, paragraph "a", subparagraph (1), twenty dollars from each trailer registration fee collected pursuant to section 321.123, subsection 1, paragraph "a", subparagraph (2), and one-third of the amount collected from trailer registration fees pursuant to section 321.123, subsection 2.

b. This subsection is repealed June 30, 2028.

Sec. 23. Section 321.122, subsection 2, Code 2007, is amended by striking the subsection.

Sec. 24. Section 321.123, Code 2007, is amended to read as follows:

321.123 TRAILERS.

1. a. All trailers except farm trailers, mobile homes, and manufactured homes, unless otherwise provided in this section, are subject to a an annual registration fee of ten dollars. as follows:

(1) For trailers with an empty weight of two thousand pounds or less, the annual registration fee is twenty dollars.

(2) For trailers with an empty weight in excess of two thousand pounds, the annual registration fee is thirty dollars.

b. Trailers for which the empty weight is two thousand pounds or less are exempt from the certificate of title and lien provisions of this chapter.

c. For trailers and semitrailers licensed under chapter 326, the annual registration fee for the permanent registration plate shall be the applicable fee under paragraph "a". The registration fees for a permanent registration plate, at the option of the registrant, shall be remitted to the department at five-year intervals or on an annual basis. Fees collected under this section shall not be reduced or prorated under chapter 326.

1. 2. a. Travel trailers and fifth-wheel travel trailers, except those in manufacturer's or dealer's stock, shall be subject to an annual fee of twenty thirty cents per square foot of floor space computed on the exterior overall measurements, but excluding three feet occupied by any trailer hitch as provided by and certified to by the owner, to the nearest whole dollar. When a travel trailer or fifth-wheel travel trailer is registered in Iowa for the first time or when title is transferred, the annual fee shall be prorated on a monthly basis. The annual fee shall be reduced to seventy-five percent of the full fee after the vehicle is more than six model years old.

b. A travel trailer may be stored under section 321.134, provided the travel trailer is not used for human habitation for any period during storage and is not moved upon the highways of the state. A travel trailer stored under section 321.134 is not subject to a manufactured or mobile home tax assessed under chapter 435.

2. 3. Motor trucks or truck tractors pulling trailers or semitrailers shall be registered for the combined gross weight of the motor truck or truck tractor and trailer or semitrailer, except that:

a. Motor trucks registered for six tons or less not used for hire, pulling trailers or semitrailers used by a person engaged in farming to transport commodities produced by the owner, or to transport commodities or livestock purchased by the owner for use in the owner's own farming operation or used by any person to transport horses shall not be subject to registration for the gross weight of such trailer or semitrailer provided the combined gross weight does not exceed twelve tons, plus the tolerance provided for in section 321.466.

b. Motor trucks registered for six tons or less not used for hire, pulling trailers or semitrailers used by a person in the person's own operations shall not be subject to registration for the gross weight of such trailer or semitrailer provided the combined gross weight does not exceed eight tons, plus the tolerance provided for in section 321.466.

Sec. 25. EFFECTIVE DATE AND APPLICABILITY. This division of this Act takes effect January 1, 2009, and applies to trailers registered for registration years beginning in 2009 and subsequent years.

DIVISION IV STUDIES

Sec. 26. TIME-21 FUNDING ANALYSIS. The department of transportation shall conduct an analysis of the additional revenues necessary to provide at least two hundred million dollars annually to the TIME-21 fund by FY 2011-2012. The analysis shall include but is not limited

to the amount of excise tax levied on motor fuel and adjustments that might be made to various fees collected by the department in order to create an appropriate balance of taxes and fees paid by Iowa drivers and out-of-state drivers. The department shall submit a report to the governor and the general assembly on or before December 31, 2008, regarding its analysis.

Sec. 27. PUBLIC TRANSIT FUNDING STUDY. The department of transportation, in cooperation with the office of energy independence and the department of natural resources, shall review the current revenues available for support of public transit and the sufficiency of those revenues to meet future needs. The review shall include but is not limited to identifying transit improvements needed to meet state energy independence goals and an assessment of how the state's support of public transit is positioned to meet the mobility needs of Iowa's growing senior population. The department shall submit a report to the governor and the general assembly on or before December 1, 2009.

DIVISION V
MOTORCYCLE OPERATOR'S LICENSE FEE

Sec. 28. Section 312.2, subsection 16,¹ Code Supplement 2007, is amended to read as follows:

16. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the motorcycle rider education fund established in section 321.180B, an amount equal to ~~one dollar~~ two dollars per year of license validity for each issued or renewed driver's license which is valid for the operation of a motorcycle. Moneys credited to the motorcycle rider education fund under this subsection shall be taken from moneys credited to the road use tax fund under section 423.43.

Sec. 29. Section 321.191, subsection 5, Code 2007, is amended to read as follows:

5. LICENSES VALID FOR MOTORCYCLES. An additional fee of ~~one dollar~~ two dollars per year of license validity is required to issue a license valid to operate a motorcycle.

Sec. 30. Section 321.145, subsection 2, paragraph b, subparagraph (2), if enacted by the Eighty-second General Assembly, 2008 Session,² is amended to read as follows:

(2) An amount equal to ~~one dollar~~ two dollars per year of license validity for each issued or renewed driver's license which is valid for the operation of a motorcycle shall be credited to the motorcycle rider education fund established under section 321.180B.

Sec. 31. If section 312.2, subsection 16, Code Supplement 2007, is stricken by a provision in another division of this Act³ or another Act of the 2008 Session of the Eighty-second General Assembly, the section in this division of this Act amending section 312.2, subsection 16, Code Supplement 2007, is void.

DIVISION VI
USE TAX ON MOTOR VEHICLES REPEALED —
FEE FOR NEW REGISTRATION IMPOSED
PART 1
ROAD USE TAX FUND

Sec. 32. Section 312.1, Code 2007, is amended to read as follows:

312.1 FUND CREATED.

1. There is hereby created, in the state treasury, a road use tax fund. ~~Said~~ The road use tax fund shall ~~embrace and include~~ all of the following:

- ~~1.~~ a. All the net proceeds of the registration of motor vehicles under chapter 321.
- ~~2.~~ b. All the net proceeds of the motor fuel tax or license fees under chapter 452A.

¹ See this chapter, §31, 33 herein

² See this chapter, §36 herein

³ See this chapter, §33 herein

~~3. c.~~ Revenue derived from the excise tax imposed upon the rental of automobiles, under chapter 423C, as to the extent provided by section 423C.5 321.145, subsection 2.

~~4.~~ To the extent provided in section 423.43, subsection 1, paragraph "b", from revenue derived from the use tax, under chapter 423 on motor vehicles, trailers, and motor vehicle accessories and equipment.

~~5. d.~~ Revenue derived from the use tax collected under section 423.26, to the extent provided under section 321.145, subsection 2.

~~e.~~ Any other funds which may by law be credited to the road use tax fund.

~~2.~~ Notwithstanding section 12C.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the road use tax fund and the funds to which moneys from the road use tax fund are credited shall be credited to the road use tax fund.

Sec. 33. Section 312.2, subsections 14 and 16, Code Supplement 2007, are amended by striking the subsections.

Sec. 34. Section 312.2, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 19. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the primary road fund an amount equal to ten percent of the revenues collected from the operation of section 321.105A, subsection 2, to be used for the commercial and industrial highway network.

Sec. 35. Section 321.52A, Code 2007, is amended to read as follows:

321.52A CERTIFICATE OF TITLE SURCHARGE — ALLOCATION OF MONEYS.

1. In addition to the fee required for the issuance of a certificate of title under section 321.20, 321.20A, 321.23, 321.42, 321.46, 321.47, 321.48, 321.50, or 321.52, a surcharge of five dollars shall be required. Of each surcharge collected under those sections, the county treasurer shall remit five dollars to the office of treasurer of state for deposit as set forth in section 321.145, subsection 2.

2. ~~For the fiscal year beginning July 1, 2002, through the fiscal year beginning July 1, 2006, the treasurer of state shall deposit twenty percent of the moneys received under subsection 1 in the waste tire management fund and deposit the remainder in the road use tax fund. For the fiscal year beginning July 1, 2007, and each subsequent fiscal year, the treasurer of state shall deposit the entire amount of moneys received under subsection 1 in the road use tax fund.~~

Sec. 36. Section 321.145, Code 2007, is amended to read as follows:

321.145 DISPOSITION OF MONEYS AND FEES.

1. Except for fines, forfeitures, court costs, and the collection fees retained by the county treasurer pursuant to section 321.152, and except as provided in subsection 2, moneys and motor vehicle license registration fees collected under this chapter shall be credited by the treasurer of state to the road use tax fund.

2. Revenues derived from trailer registration fees collected pursuant to sections 321.105 and 321.105A, fees charged for driver's licenses and nonoperator's identification cards, fees charged for the issuance of a certificate of title, the certificate of title surcharge collected pursuant to section 321.52A, and revenues credited pursuant to section 423.43, subsection 2, and section 423C.5 shall be deposited in a fund to be known as the statutory allocations fund under the control of the department and credited as follows:

a. Four million two hundred fifty thousand dollars per quarter shall be deposited into and credited to the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, and the moneys so deposited are a continuing appropriation for expenditure under chapter 455G, and moneys so appropriated shall not be used for other purposes.

b. Moneys remaining after the operation of paragraph "a" shall be credited in order of priority as follows:

(1) An amount equal to four percent of the revenue from the operation of section 321.105A, subsection 2, shall be credited to the department, to be used for purposes of public transit assistance under chapter 324A.

(2) An amount equal to one dollar⁴ per year of license validity for each issued or renewed driver's license which is valid for the operation of a motorcycle shall be credited to the motorcycle rider education fund established under section 321.180B.

(3) The amounts required to be transferred pursuant to section 321.34 from revenues available under this subsection shall be transferred and credited as provided in section 321.34, subsections 7, 10, 10A, 11, 11A, 11B, 13, 16, 17, 18, 19, 20, 20A, 20B, 21, 22, 23, and 24 for the various purposes specified in those subsections.

(4) Amounts certified by the railway finance authority pursuant to section 327I.25 and appropriated to the authority pursuant to section 327I.26, not to exceed two million dollars annually.

(5) The department may direct the treasurer of state to credit to the primary road fund any amount of such revenues to the extent necessary to reimburse that fund for the expenditures not otherwise eligible to be made from the primary road fund, which are made for repairing, improving, and maintaining bridges over the rivers bordering the state. Expenditures for those portions of bridges within adjacent states may be included when they are made pursuant to an agreement entered into under section 313.63, 313A.34, or 314.10.

c. Any such revenues remaining shall be credited to the road use tax fund.

Sec. 37. Section 423C.5, Code 2007, is amended to read as follows:

423C.5 DEPOSIT OF REVENUE.

The revenue arising from the operation of this chapter shall be credited to the ~~road use tax fund~~ statutory allocations fund created under section 321.145, subsection 2.

PART 2 FEE FOR NEW VEHICLE REGISTRATION

Sec. 38. Section 321.1, Code 2007, is amended by adding the following new subsection:
NEW SUBSECTION. 59A. "Registration fees", unless otherwise specified, means both the annual vehicle registration fee and the fee for new registration, to the extent applicable, for purposes of administering the provisions of this chapter concerning vehicle registration fees.

Sec. 39. Section 321.2, Code 2007, is amended to read as follows:
321.2 DEPARTMENT.

1. The Except as otherwise provided by law, the state department of transportation shall administer and enforce the provisions of this chapter.

2. The division of state patrol of the department of public safety shall enforce the provisions of this chapter relating to traffic on the public highways of the state, including those relating to the safe and legal operation of passenger cars, motorcycles, motor trucks and buses, and to see that proper safety rules are observed.

3. The state department of transportation and the department of public safety shall cooperate to insure the proper and adequate enforcement of the provisions of this chapter.

4. The director of revenue shall administer and enforce the collection of the fee for new registration as provided in section 321.105A.

Sec. 40. NEW SECTION. 321.105A FEE FOR NEW REGISTRATION.

1. DEFINITIONS. The following terms, when used in this section, shall have the following meanings, except in those instances where the context clearly indicates otherwise:

- a. "Department" means the department of revenue.
- b. "Director" means the director of revenue.
- c. "Owner" means as defined in section 321.1. For purposes of the fee for new registration imposed on leased vehicles under subsection 3, "owner" means the "lessor".

⁴ See this chapter, §30 herein

d. "Purchase" means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for consideration.

2. In addition to the annual registration fee required under section 321.105, a "fee for new registration" is imposed in the amount of five percent of the purchase price for each vehicle subject to registration. The fee for new registration shall be paid by the owner of the vehicle to the county treasurer at the time application is made for a new registration and certificate of title, if applicable. A new registration receipt shall not be issued until the fee has been paid. The county treasurer or the department of transportation shall require every applicant for a new registration receipt for a vehicle subject to registration to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, and other information relative to the purchase of the vehicle. On or before the tenth day of each month, the county treasurer or the department of transportation shall remit to the department of revenue the amount of the fees for new registration collected during the preceding month.

a. For purposes of this subsection, "purchase price" applies to the measure subject to the fee for new registration. "Purchase price" shall be determined in the same manner as "sales price" is determined for purposes of computing the tax imposed upon the sales price of tangible personal property under chapter 423, pursuant to the definition in section 423.1, subsection 47, subject to the following exemptions:

(1) Exempted from the purchase price of any vehicle subject to registration is the amount of any cash rebate which is provided by a motor vehicle manufacturer to the purchaser of the vehicle subject to registration so long as the rebate is applied to the purchase price of the vehicle.

(2) (a) In transactions, except those subject to subparagraph subdivision (b), in which a vehicle subject to registration is traded toward the purchase price of another vehicle subject to registration, the purchase price is only that portion of the purchase price which is valued in money, whether received in money or not, if the following conditions are met:

(i) The vehicle traded to the retailer is the type of vehicle normally sold in the regular course of the retailer's business.

(ii) The vehicle traded to the retailer is intended by the retailer to be ultimately sold at retail or is intended to be used by the retailer or another in the remanufacturing of a like vehicle.

(b) In a transaction between persons, neither of which is a retailer of vehicles subject to registration, in which a vehicle subject to registration is traded toward the purchase price of another vehicle subject to registration, the amount of the trade-in value allowed on the vehicle subject to registration traded is exempted from the purchase price.

(c) In order for the trade-in value to be excluded from the purchase price, the name or names on the title and registration of the vehicle being purchased must be the same name or names on the title and registration of the vehicle being traded. The following trades qualify under this subparagraph subdivision (c):

(i) A trade involving spouses, if the traded vehicle and the acquired vehicle are titled in the name of one or both of the spouses, with no outside party named on the title.

(ii) A trade involving a grandparent, parent, or child, including adopted and step relationships, if the name of one of the family members from the title of the traded vehicle is also on the title of the newly acquired vehicle.

(iii) A trade involving a business, if one of the owners listed on the title of the traded vehicle is a business, and the names on the title are separated by "or".

(iv) A trade in which the vehicle being purchased is titled in the name of an individual other than the owner of the traded vehicle due to the cosigning requirements of a financial institution.

(3) Exempted from the purchase price of a replacement motor vehicle owned by a motor vehicle dealer licensed under chapter 322 which is being registered by that dealer and is not otherwise exempt from the fee for new registration is the fair market value of a replaced motor vehicle if all of the following conditions are met:

(a) The motor vehicle being registered is being placed in service as a replacement motor vehicle for a motor vehicle registered by the motor vehicle dealer.

- (b) The motor vehicle being registered is taken from the motor vehicle dealer's inventory.
 - (c) Use tax or the fee for new registration on the motor vehicle being replaced was paid by the motor vehicle dealer when that motor vehicle was registered.
 - (d) The replaced motor vehicle is returned to the motor vehicle dealer's inventory for sale.
 - (e) The application for registration and title of the motor vehicle being registered is filed with the county treasurer within two weeks of the date the replaced motor vehicle is returned to the motor vehicle dealer's inventory.
 - (f) The motor vehicle being registered is placed in the same or substantially similar service as the replaced motor vehicle.
- b. For purposes of this subsection, the fee for new registration on a vehicle registered in this state by the manufacturer of that vehicle from a manufacturer's statement of origin is calculated on the base value of fifty percent of the retail list price of the vehicle.
- c. The following are exempt from the fee for new registration imposed under this subsection, as long as a valid affidavit is filed with the county treasurer at the time of application for registration:
- (1) Entities listed in section 423.3, subsections 17, 18, 19, 20, 21, 22, 26, 27, 28, 31, and 79, to the extent that those entities are exempt from the tax imposed on the sale of tangible personal property, consisting of goods, wares, or merchandise, sold at retail in the state to consumers or users.
 - (2) Vehicles as defined in section 321.1, subsections 41, 64A, 71, 85, and 88, except such vehicles subject to registration which are designed primarily for carrying persons, when purchased for lease and actually leased to a lessee for use outside the state of Iowa and the subsequent sole use in Iowa is in interstate commerce or interstate transportation.
 - (3) (a) Vehicles subject to registration which are transferred from a business or individual conducting a business within this state as a sole proprietorship, partnership, or limited liability company to a corporation formed by the sole proprietorship, partnership, or limited liability company for the purpose of continuing the business when all of the stock of the corporation so formed is owned by the sole proprietor and the sole proprietor's spouse, by all the partners in the case of a partnership, or by all the members in the case of a limited liability company. This exemption is equally available where the vehicles subject to registration are transferred from a corporation to a sole proprietorship, partnership, or limited liability company formed by that corporation for the purpose of continuing the business when all of the incidents of ownership are owned by the same person or persons who were stockholders of the corporation.
 - (b) This exemption also applies where the vehicles subject to registration are transferred from a corporation as part of the liquidation of the corporation to its stockholders if within three months of such transfer the stockholders retransfer those vehicles subject to registration to a sole proprietorship, partnership, or limited liability company for the purpose of continuing the business of the corporation when all of the incidents of ownership are owned by the same person or persons who were stockholders of the corporation.
 - (c) This exemption applies to corporations that have been in existence for not longer than twenty-four months.
 - (4) Vehicles subject to registration which are transferred from a corporation that is primarily engaged in the business of leasing vehicles subject to registration to a corporation that is primarily engaged in the business of leasing vehicles subject to registration when the transferor and transferee corporations are part of the same controlled group for federal income tax purposes.
 - (5) (a) Vehicles registered or operated under chapter 326 and used substantially in interstate commerce. For purposes of this subparagraph (5), "substantially in interstate commerce" means that a minimum of twenty-five percent of the miles operated by the vehicle accrues in states other than Iowa. This subparagraph (5) applies only to vehicles which are registered for a gross weight of thirteen tons or more.
 - (b) For purposes of this subparagraph (5), trailers and semitrailers registered or operated under chapter 326 are deemed to be used substantially in interstate commerce and to be registered for a gross weight of thirteen tons or more.

(c) For the purposes of this subparagraph (5), if a vehicle meets the requirement that twenty-five percent of the miles operated accrues in states other than Iowa in each year of the first four-year period of operation, the exemption from the fee for new registration shall continue until the vehicle is sold or transferred. If the vehicle is found to have not met the exemption requirements or the exemption was revoked, the value of the vehicle upon which the fee for new registration shall be imposed is based on the original purchase price if revocation or nonqualification for this exemption occurs during the first year following registration. If revocation or nonqualification for this exemption occurs after the first year following registration, the value of the vehicle upon which the fee shall be imposed is the book or market value, whichever is less, at the time the exemption requirements were not met or the exemption was revoked.

(6) Vehicles subject to registration in any state when purchased for rental or registered and titled by a motor vehicle dealer licensed pursuant to chapter 322 for rental use, and held for rental for a period of one hundred twenty days or more and actually rented for periods of sixty days or less by a person regularly engaged in the business of renting vehicles including but not limited to motor vehicle dealers licensed pursuant to chapter 322 who rent automobiles to users, if the rental of the vehicles is subject to taxation under chapter 423C.

(7) Vehicles subject to registration in this state for which the applicant for registration has paid to another state a state sales, use, or occupational tax. However, if the tax paid to another state is less than the fee for new registration calculated for the vehicle, the difference shall be the amount to be collected as the fee for new registration.

(8) A vehicle subject to registration in this state which is owned by a person who has moved from another state with the intention of changing residency to Iowa, provided that the vehicle was purchased for use in the state from which the applicant moved and was not, at or near the time of purchase, purchased for use in Iowa.

(9) A vehicle that was previously registered in this state and was subsequently registered in another state is not subject to the fee for new registration when it is again registered in this state, provided that the applicant for registration has maintained ownership of the vehicle since its initial registration in this state and has previously paid the use tax or fee for new registration for the vehicle in this state.

(10) Vehicles transferred by operation of law as provided in section 321.47.

(11) Vehicles for which ownership is transferred to or from a revocable or irrevocable trust, if no consideration is present.

(12) Vehicles transferred to the surviving corporation for no consideration as a result of a corporate merger according to the laws of this state in which the merging corporation is immediately extinguished and dissolved.

(13) Vehicles purchased in this state by a nonresident for removal to the nonresident's state of residence if the purchaser applies to the county treasurer for a transit plate under section 321.109.

(14) Vehicles purchased by a licensed motor vehicle dealer for resale.

(15) Vehicles purchased by a licensed wholesaler of new motor vehicles for resale.

(16) Homemade vehicles built from parts purchased at retail, upon which the consumer paid a tax to the seller, but only on such vehicles never before registered. This exemption does not apply for vehicles subject to registration which are made by a manufacturer engaged in the business for the purpose of sales or rental.

(17) Vehicles titled under a salvage certificate of title. However, when such a vehicle has been repaired and a regular certificate of title is applied for, the fee for new registration is due as follows:

(a) If the owner of the vehicle is a licensed recycler, unless the applicant is licensed as a vehicle dealer, the fee for new registration applies based on the fair market value of the vehicle, with deduction allowed for the cost of parts, supplies, and equipment for which sales tax was paid and which were used to rebuild the vehicle.

(b) If the owner is a person who is not licensed as a recycler or vehicle dealer, the fee for new registration applies based on the fair market value of the vehicle, with deduction allowed

for the cost of parts, frames, chassis, auto bodies, or supplies that were purchased to rebuild the vehicle and for which sales tax was paid.

(18) A vehicle delivered to a resident Native American Indian on the reservation.

(19) A vehicle transferred from one individual to another as a gift in a transaction in which no consideration is present.

(20) A vehicle given by a corporation as a gift to a retiring employee.

(21) A vehicle sold by an entity where the profits from the sale are used by or donated to a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code, a government entity, or a nonprofit private educational institution, and where the entire proceeds from the sale of the vehicle are expended for any of the following purposes:

(a) Educational.

(b) Religious.

(c) Charitable. A charitable act is an act done out of goodwill, benevolence, and a desire to add to or to improve the good of humankind in general or any class or portion of humankind, with no pecuniary profit inuring to the person performing the service or giving the gift.

(22) A vehicle given or sold to be subsequently awarded as a raffle prize under chapter 99B.

(23) A vehicle won as a raffle prize under chapter 99B.

(24) A vehicle that is directly and primarily used in the recycling or reprocessing of waste products.

(25) Vehicles subject to registration under this chapter with a gross vehicle weight rating of less than sixteen thousand pounds, excluding motorcycles and motorized bicycles, when purchased for lease and titled by the lessor licensed pursuant to chapter 321F and actually leased for a period of twelve months or more if the lease of the vehicle is subject to the fee for new registration under subsection 3.

A lessor may maintain the exemption under this subparagraph for a qualifying lease that terminates at the conclusion or prior to the contracted expiration date if the lessor does not use the vehicle for any purpose other than for lease. Once the vehicle is used by the lessor for a purpose other than for lease, the exemption under this subparagraph no longer applies and, unless there is another exemption from the fee for new registration, the fee for new registration is due on the fair market value of the vehicle determined at the time the lessor uses the vehicle for a purpose other than for lease, payable to the department. If the lessor holds the vehicle exclusively for sale, the fee for new registration is due and payable on the purchase price of the vehicle at the time of purchase pursuant to this subsection.

(26) A vehicle repossessed by a licensed vehicle dealer pursuant to the uniform commercial code, chapter 554, provided there is a valid lien on the title and the dealer anticipates reselling the vehicle.

(27) A vehicle repossessed by a financial institution or an individual by means of a foreclosure affidavit pursuant to the uniform commercial code, chapter 554, provided there is a valid lien on the vehicle and the foreclosure affidavit is used for the sole purpose of retaining possession of the vehicle until a new buyer is found. However, if the financial institution or individual uses the foreclosure affidavit to take title to the vehicle and register the vehicle, the new registration fee⁵ shall be due based on the outstanding loan amount on the vehicle.

(28) A damaged vehicle acquired by an insurance company from a client or financial institution, provided the insurance company has a vehicle dealers license.

(29) A vehicle returned to a manufacturer and titled in the manufacturer's name under section 322G.12.

(30) A vehicle purchased directly by a federal, state, or local governmental agency and titled in an individual's name pursuant to a governmental program authorized by law.

3. LEASED VEHICLES.

a. A fee for new registration is imposed in an amount equal to five percent of the leased price for each vehicle subject to registration with a gross vehicle weight rating of less than sixteen thousand pounds, excluding motorcycles and motorized bicycles, which is leased by a lessor licensed pursuant to chapter 321F for a period of twelve months or more. The fee for new regis-

⁵ See chapter 1191, §128 herein

tration shall be paid by the owner of the vehicle to the county treasurer from whom the registration receipt or certificate of title is obtained. A registration receipt for a vehicle subject to registration or issuance of a certificate of title shall not be issued until the fee for new registration is paid in the initial instance.

b. The amount of the lease price subject to the fee for new registration shall be computed on each separate lease transaction by taking the total of the lease payments, plus the down payment, and excluding the following charges, if included as part of the lease payment:

- (1) Title fee.
- (2) Annual registration fees.
- (3) Fee for new registration.
- (4) Federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner.
- (5) Optional service or warranty contracts subject to tax pursuant to section 423.2, subsection 1.
- (6) Insurance.
- (7) Manufacturer's rebate.
- (8) Refundable deposit.
- (9) Finance charges, if any, on items listed in subparagraphs (1) through (8).

c. If any or all of the items in paragraph "b", subparagraphs (1) through (8), are excluded from the lease price subject to the fee for new registration, the owner shall maintain adequate records of the amounts of those items. If the parties to a lease enter into an agreement providing that the fee for new registration is to be paid by the lessee or included in the monthly lease payments to be paid by the lessee, the total cost of the fee for new registration shall not be included in the computation of the lease price for the purpose of the fee for new registration under this section. The county treasurer or the department of transportation shall require every applicant for a registration receipt for a vehicle subject to a fee for new registration to supply information as the county treasurer or the director deems necessary as to the date of the lease transaction, the lease price, and other information relative to the lease of the vehicle.

d. On or before the tenth day of each month, the county treasurer or the department of transportation shall remit to the department of revenue the amount of the fees for new registration collected during the preceding month.

e. If the lease is terminated prior to the termination date contained in the lease agreement, no refund shall be allowed for a fee for new registration previously paid under this section, except as provided in section 322G.4.

4. ADMINISTRATION AND ENFORCEMENT — DIRECTOR OF REVENUE.

a. The director of revenue in consultation with the department of transportation shall administer and enforce the fee for new registration as nearly as possible in conjunction with the administration and enforcement of the state use tax law, except that portion of the law which implements the streamlined sales and use tax agreement. The director shall provide appropriate forms, or provide on the annual registration forms provided by the department of transportation, for reporting the fee for new registration liability.

b. Section 422.25, subsection 4, sections 422.30, 422.67, and 422.68, section 422.69, subsection 1, sections 422.70, 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection 2, and sections 423.23, 423.24, 423.25, 423.32, 423.33, 423.35, 423.37 through 423.42, 423.45, and 423.47, consistent with the provisions of this section, apply with respect to the fees for new registration authorized under this section in the same manner and with the same effect as if the fees for new registration were retail use taxes within the meaning of those statutes.

5. COLLECTIONS BY LICENSED DEALERS.

a. A licensed vehicle dealer maintaining a place of business in this state who sells a vehicle subject to registration for use in this state shall collect the fee for new registration at the time of making the sale. A dealer required to collect the fee for new registration shall give to the purchaser a receipt for the fee in the manner and form prescribed by the director. Fees collected by a dealer under this section shall be forwarded to the county treasurer in the same manner as annual registration fees.

b. If an amount of the fee for new registration represented by a dealer to the purchaser of a vehicle is computed upon a purchase price that is not subject to the fee for new registration or the amount represented is in excess of the actual amount subject to the fee and the amount represented is actually paid by the purchaser to the dealer, the excess amount of fee for new registration paid shall be returned to the purchaser upon notification to the dealer by the department that an excess payment exists.

c. If an amount of the fee for new registration represented by a dealer to a purchaser is computed upon a purchase price that is not subject to the fee for new registration or the amount represented is in excess of the actual amount subject to the fee and the amount represented is actually paid by the purchaser to the dealer, the excess amount of fee for new registration paid shall be returned to the purchaser upon proper notification to the dealer by the purchaser that an excess payment exists. "Proper" notification is written notification which allows a dealer at least sixty days to respond and which contains enough information to allow a dealer to determine the validity of a purchaser's claim that an excess amount of fee for new registration has been paid. No cause of action shall accrue against a dealer for excess fee for new registration paid until sixty days after proper notice has been given the dealer by the purchaser.

d. In the circumstances described in paragraphs "b" and "c", a dealer has the option to either return any excess amount of fee for new registration paid to a purchaser, or to remit the amount which a purchaser has paid to the dealer to the department.

6. REFUNDS.

a. A fee for new registration is not refundable, except in the following circumstances:

(1) If a vehicle is sold and later returned to the seller and the entire purchase price is refunded by the seller, the purchaser is entitled to a refund of the fee for new registration paid. To obtain a refund, the purchaser shall make application on forms provided by the department and show proof that the entire purchase price was returned and that the fee for new registration had been paid.

(2) If a vehicle manufacturer reimburses a purchaser for the fee for new registration paid on a returned defective vehicle, the manufacturer may obtain a refund from the department by providing proof that the fee was paid and the purchaser reimbursed in accordance with the provisions of chapter 322G.

(3) If the department determines that, as a result of a mistake, an amount of the fee for new registration has been paid which was not due, such amount shall be refunded to the vehicle owner by the department.

b. A claim for refund under this subsection that has not been filed with the department within three years after the fee for new registration was paid shall not be allowed by the director.

7. PENALTY FOR FALSE STATEMENT. A person who willfully makes a false statement in regard to the purchase price of a vehicle subject to a fee for new registration is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to the purchase price of such a vehicle with the intent to evade payment of the fee for new registration shall be assessed a penalty of seventy-five percent of the amount of the fee unpaid and required to be paid on the actual purchase price less trade-in allowance.

PART 3

MOTOR VEHICLE USE TAX — REPEAL

Sec. 41. Section 423.6, subsection 6, Code 2007, is amended to read as follows:

6. Tangible personal property or services the sales price of which is exempt from the sales tax under section 423.3, except subsections 39 and 73, as it relates to the sale, but not the lease or rental, of vehicles ~~subject to registration or~~ subject only to the issuance of a certificate of title and as it relates to aircraft subject to registration under section 328.20.

Sec. 42. Section 423.6, subsections 8, 10, 11, 12, 16, 17, 18, 24, and 25, Code 2007, are amended by striking the subsections.

Sec. 43. Section 423.14, subsection 2, paragraph a, Code 2007, is amended to read as follows:

a. The tax upon the use of all vehicles ~~subject to registration or~~ subject only to the issuance of a certificate of title or the tax upon the use of manufactured housing shall be collected by the county treasurer or the state department of transportation pursuant to ~~sections~~ section 423.26 and 423.27, subsection 1. The county treasurer shall retain one dollar from each tax payment collected, to be credited to the county general fund.

Sec. 44. Section 423.26, Code 2007, is amended to read as follows:

~~423.26 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE ISSUANCE OF TITLE — MANUFACTURED HOUSING — VEHICLE LEASE TRANSACTIONS NOT REQUIRING TITLE OR REGISTRATION.~~

~~1. a.~~ The use tax imposed upon the use of vehicles ~~subject to registration or~~ subject only to the issuance of a certificate of title or imposed upon the use of manufactured housing shall be paid by the owner of the vehicle or of the manufactured housing to the county treasurer or the state department of transportation from whom the ~~registration receipt or~~ certificate of title is obtained. A ~~registration receipt for a vehicle subject to registration or~~ certificate of title shall not be issued until the tax has been paid. The county treasurer or the state department of transportation shall require every applicant for a ~~registration receipt for a vehicle subject to registration or~~ certificate of title to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, installed purchase price, and other information relative to the purchase of the vehicle or manufactured housing. On or before the tenth day of each month, the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month.

~~b.~~ A person who willfully makes a false statement in regard to the purchase price of a vehicle subject to taxation under this ~~section~~ subsection is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to the purchase price of such a vehicle with the intent to evade the payment of tax shall be assessed a penalty of seventy-five percent of the amount of tax unpaid and required to be paid on the actual purchase price less trade-in allowance.

~~2. a.~~ The use tax imposed upon the use of leased vehicles if the lease transaction does not require titling or registration of the vehicle shall be remitted to the department. Tax and the reporting of tax due to the department shall be remitted on or before fifteen days from the last day of the month that the tax becomes due. Failure to timely report or remit any of the tax when due shall result in a penalty and interest being imposed on the tax due pursuant to section 423.40, subsection 1, and section 423.42, subsection 1.

~~b.~~ The amount subject to tax shall be computed on each separate lease transaction by taking the total of the lease payments, plus the down payment, and excluding all of the following:

(1) Title fee.

(2) Registration fees.

(3) Use tax pursuant to this subsection.

(4) Federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner.

(5) Optional service or warranty contracts subject to tax pursuant to section 423.2, subsection 1.

(6) Insurance.

(7) Manufacturer's rebate.

(8) Refundable deposit.

(9) Finance charges, if any, on items listed in subparagraphs (1) through (8).

c. If any or all of the items in paragraph "b", subparagraphs (1) through (8) are excluded from the taxable lease price, the owner shall maintain adequate records of the amounts of those items. If the parties to a lease enter into an agreement providing that the tax imposed under this subsection is to be paid by the lessee or included in the monthly lease payments to be paid by the lessee, the total cost of the tax shall not be included in the computation of lease price for the purpose of taxation under this subsection.

Sec. 45. Section 423.43, Code Supplement 2007, is amended by striking the section and inserting in lieu thereof the following:

423.43 DEPOSIT OF REVENUES.

1. Except as provided in subsection 2, all revenue arising under the operation of the use tax under subchapter III shall be deposited into the general fund of the state.

2. All revenue derived from the use tax imposed pursuant to section 423.26 shall be credited to the statutory allocations fund created under section 321.145, subsection 2.

Sec. 46. Section 423.27, Code 2007, is repealed.

PART 4
CONFORMING AMENDMENTS

Sec. 47. Section 29A.101A, subsection 5, Code Supplement 2007, is amended to read as follows:

5. Rents or lease amounts unpaid for the period preceding the effective date of the lease termination shall be paid on a prorated basis. In the case of a vehicle lease, the lessor shall not impose an early termination charge, but any ~~taxes, summonses, and title and registration fees, including the fee for new registration,~~ and any other obligation and liability of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, use, and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

Sec. 48. Section 321.17, Code 2007, is amended to read as follows:

321.17 MISDEMEANOR TO VIOLATE REGISTRATION PROVISIONS.

It is a simple misdemeanor punishable as a scheduled violation under section 805.8A, subsection 2, paragraph "b", for any person to drive or move or for an owner knowingly to permit to be driven or moved upon the highway a vehicle of a type required to be registered under this chapter which is not registered, or for which the appropriate ~~fee has~~ fees have not been paid, except as provided in section 321.109, subsection 3.

Sec. 49. Section 321.19, subsection 1, unnumbered paragraph 1, Code 2007, is amended to read as follows:

All vehicles owned or leased for a period of sixty days or more by the government and used in the transaction of official business by the representatives of foreign governments or by officers, boards, or departments of the government of the United States, and by the state, counties, municipalities and other political subdivisions of the state including vehicles used by an urban transit company operated by a municipality or a regional transit system, and self-propelling vehicles used neither for the conveyance of persons for hire, pleasure, or business nor for the transportation of freight other than those used by an urban transit company operated by a municipality or a regional transit system, all fire trucks, providing they are not owned and operated for a pecuniary profit, and authorized emergency vehicles used only in disaster relief owned and operated by an organization not operated for pecuniary profit, are exempted from the payment of the registration fees imposed by this chapter, except as provided for urban transit companies in subsection 2, but are not exempt from the penalties provided in this chapter.

Sec. 50. Section 321.20, subsection 1, paragraph a, Code 2007, is amended to read as follows:

a. The full legal name; social security number or Iowa driver's license number or Iowa non-operator's identification card number; date of birth; bona fide residence; and mailing address of the owner and of the lessee if the vehicle is being leased. If the owner or lessee is a firm, association, or corporation, the application shall contain the bona fide business address and federal employer identification number of the owner or lessee. Up to three owners' names may be listed on the application. If the vehicle is a leased vehicle, the application shall state whether the notice of registration renewal shall be sent to the lessor or to the lessee and whether the lessor or the lessee shall receive the ~~registration fee refund~~ of the annual registration fee, if

any. Information relating to the lessee of a vehicle shall not be required on an application for registration and a certificate of title for a vehicle with a gross vehicle weight rating of ten thousand pounds or more.

Sec. 51. Section 321.20, subsection 1, paragraph e, Code 2007, is amended to read as follows:

e. The amount of the fee for new registration to be paid under section 321.105A or the amount of tax to be paid under section 423.26, subsection 1.

Sec. 52. Section 321.20A, Code 2007, is amended to read as follows:

321.20A CERTIFICATE OF TITLE AND REGISTRATION FEES — COMMERCIAL VEHICLES.

1. Notwithstanding other provisions of this chapter, the owner of a commercial vehicle subject to the proportional registration provisions of chapter 326 may make application to the department or the appropriate county treasurer for a certificate of title. The application for certificate of title shall be made within thirty days of purchase or transfer and shall be accompanied by a ten dollar title fee and the appropriate use tax fee for new registration. The department or the county treasurer shall deliver the certificate of title to the owner if there is no security interest. If there is a security interest, the title, when issued, shall be delivered to the first secured party. Delivery may be made using electronic means.

2. An owner of more than fifty commercial vehicles subject to the proportional registration provisions of chapter 326 who is issued a certificate of title under this section shall not be subject to annual registration fees until the commercial vehicle is driven or moved upon the highways. The annual registration fee due shall be prorated for the remaining unexpired months of the registration year. Ownership of the commercial vehicle shall not be transferred until annual registration fees have been paid to the department.

Sec. 53. Section 321.23, subsection 3, Code 2007, is amended to read as follows:

3. In the event an applicant for registration of a foreign vehicle for which a certificate of title has been issued is able to furnish evidence of being the registered owner of the vehicle to the county treasurer of the owner's residence, although unable to surrender such certificate of title, the county treasurer may issue a registration receipt and plates upon receipt of the required annual registration fee and the fee for new registration fee⁶ but shall not issue a certificate of title thereto. Upon surrender of the certificate of title from the foreign state, the county treasurer shall issue a certificate of title to the owner, or person entitled thereto, of such vehicle as provided in this chapter. The owner of a vehicle registered under this subsection shall not be required to obtain a certificate of title in this state and may transfer ownership of the vehicle to a motor vehicle dealer licensed under chapter 322 if, at the time of the transfer, the certificate of title is held by a secured party and the dealer has forwarded to the secured party the sum necessary to discharge the security interest pursuant to section 321.48, subsection 1.

Sec. 54. Section 321.24, subsections 1, 3, and 10, Code Supplement 2007, are amended to read as follows:

1. Upon receipt of the application for title and payment of the required fees for a motor vehicle, trailer, or semitrailer, the county treasurer or the department shall, when satisfied as to the application's genuineness and regularity, and, in the case of a mobile home or manufactured home, that taxes are not owing under chapter 423 or 435, issue a certificate of title and, except for a mobile home or manufactured home, a registration receipt, and shall file the application, the manufacturer's or importer's certificate, the certificate of title, or other evidence of ownership, as prescribed by the department. The registration receipt shall be delivered to the owner and shall contain upon its face the date issued, the name and address of the owner, the registration number assigned to the vehicle, the amount of the fee paid, ~~the amount of tax paid pursuant to section 423.26,~~ the type of fuel used, a description of the vehicle as determined by the department, and a form for notice of transfer of the vehicle. The name and address of

⁶ See chapter 1191, §127 herein

any lessee of the vehicle shall not be printed on the registration receipt or certificate of title. Up to three owners may be listed on the registration receipt and certificate of title.

3. The certificate of title shall contain upon its face the identical information required upon the face of the registration receipt. In addition, the certificate of title shall contain a statement of the owner's title, the title number assigned to the owner or owners of the vehicle, ~~the amount of tax paid pursuant to section 423.26,~~ the name and address of the previous owner, and a statement of all security interests and encumbrances as shown in the application, upon the vehicle described, including the nature of the security interest, date of perfection, and name and address of the secured party.

10. A vehicle shall be registered for the registration year. A vehicle registered for the first time in this state shall be registered for the remaining unexpired months of the registration year and pay a an annual registration fee prorated for the remaining unexpired months of the registration year plus a fee for new registration if applicable pursuant to section 321.105A. Except for a vehicle registered under chapter 326, a vehicle registered for the first time during the eleventh month of the owner's registration year may be registered for the remaining unexpired months of the registration year as provided in this paragraph or for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

Sec. 55. Section 321.26, subsection 2, Code 2007, is amended to read as follows:

2. The county treasurer may adjust the renewal or expiration date of vehicles when deemed necessary to equalize the number of vehicles registered in each twelve-month period or for the administrative efficiency of the county treasurer's office. The adjustment shall be accomplished by delivery of a written notice to the vehicle owner of the adjustment and allowance of a credit for the remaining months of the unused portion of the annual registration fee, rounded to the nearest whole dollar, which amount shall be deducted from the annual registration fee due at the time of registration. Upon receipt of the notification the owner shall, within thirty days, surrender the registration card and registration plates to the county treasurer of the county where the vehicle is registered, except that the registration plates shall not be surrendered if validation stickers or other emblems are used to designate the month and year of expiration of registration. Upon payment of the annual registration fee, less the credit allowed for the remaining months of the unused portion of the annual registration fee, the county treasurer shall issue a new registration card and registration plates, validation stickers, or emblems which indicate the month and year of expiration of registration.

Sec. 56. Section 321.30, subsection 1, paragraphs e and f, Code Supplement 2007, are amended to read as follows:

e. That the required ~~fee has~~ registration fees have not been paid except as provided in section 321.48.

f. ~~That For a vehicle subject only to a certificate of title or a manufactured home, that~~ the required use tax has not been paid.

Sec. 57. Section 321.30, subsection 3, paragraph b, Code Supplement 2007, is amended to read as follows:

b. If the applicant for registration of the vehicle has failed to pay the required annual registration ~~fees~~ fee or the fee for new registration of any vehicle owned or previously owned when the registration fee was required to be paid by the applicant, and for which vehicle the registration was suspended or revoked under section 321.101, subsection 1, paragraph "d", or section 321.101A, until the ~~fees are~~ fee is paid together with any accrued penalties.

Sec. 58. Section 321.34, subsection 2, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

In lieu of issuing new registration plates each registration year for a vehicle renewing registration, the department may reassign the registration plates previously issued to the vehicle

and may adopt and prescribe an annual validation sticker indicating payment of annual registration fees. The department shall issue one validation sticker for each set of registration plates. The sticker shall specify the month and year of expiration of the registration plates. The sticker shall be displayed only on the rear registration plate, except that the sticker shall be displayed on the front registration plate of a truck tractor.

Sec. 59. Section 321.34, subsection 5, paragraphs b and c, Code Supplement 2007, is amended to read as follows:

b. The county treasurer shall validate personalized registration plates in the same manner as regular registration plates are validated under this section at an annual fee of five dollars in addition to the regular annual registration fee. A person renewing a personalized registration plate within one month following the time requirements under section 321.40 may renew the personalized plate without paying the additional registration fee under paragraph "a" but shall pay the five-dollar fee in addition to the regular annual registration fee and any penalties subject to regular registration plate holders for late renewal.

c. The fees collected by the director under this section subsection shall be paid to the treasurer of state and credited by the treasurer of state as provided in section 321.145.

Sec. 60. Section 321.34, subsection 7, paragraph c, Code Supplement 2007, is amended to read as follows:

c. (1) The fees for a collegiate registration plate are as follows:

(1) (a) A registration fee of twenty-five dollars.

(2) (b) A special collegiate registration fee of twenty-five dollars.

(2) These fees are in addition to the regular annual registration fee. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited by the treasurer of state to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43 and prior to the revenues being credited to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall credit monthly from those revenues ~~respectively the statutory allocations fund created under section 321.145, subsection 2,~~ to Iowa state university of science and technology, the university of northern Iowa, and the state university of Iowa respectively, the amount of the special collegiate registration fees collected in the previous month for collegiate registration plates designed for the university. The moneys credited are appropriated to the respective universities to be used for scholarships for students attending the universities.

Sec. 61. Section 321.34, subsection 10, paragraph c, Code Supplement 2007, is amended to read as follows:

c. The special fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from those revenues the statutory allocations fund created under section 321.145, subsection 2, to the Paul Ryan memorial fire fighter safety training fund created pursuant to section 100B.12 the amount of the special fees collected in the previous month for the fire fighter plates.

Sec. 62. Section 321.34, subsection 10A, paragraph b, Code Supplement 2007, is amended to read as follows:

b. The special fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from those revenues the statutory allocations fund created under section 321.145, subsection 2, to the emergency medical services fund created in section 135.25 the amount of the special fees collected in the previous month for issuance of emergency medical services plates.

Sec. 63. Section 321.34, subsection 11, paragraph c, Code Supplement 2007, is amended to read as follows:

c. (1) The special natural resources fee for letter number designated natural resources plates is forty-five dollars. The fee for personalized natural resources plates is forty-five dollars which shall be paid in addition to the special natural resources fee of forty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and credited to deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall credit monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the Iowa resources enhancement and protection fund created pursuant to section 455A.18, the amount of the special natural resources fees collected in the previous month for the natural resources plates.

(2) From the moneys credited to the Iowa resources enhancement and protection fund under ~~this paragraph "c", subparagraph (1),~~ ten dollars of the fee collected for each natural resources plate issued, and fifteen dollars from each renewal fee, shall be allocated to the department of natural resources wildlife bureau to be used for nongame wildlife programs.

Sec. 64. Section 321.34, subsection 11A, paragraph c, Code Supplement 2007, is amended to read as follows:

c. The special fee for letter number designated love our kids plates is thirty-five dollars. The fee for personalized love our kids plates is twenty-five dollars, which shall be paid in addition to the special love our kids fee of thirty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the Iowa department of public health the amount of the special fees collected in the previous month for the love our kids plates. Notwithstanding section 8.33, moneys transferred under this subsection shall not revert to the general fund of the state.

Sec. 65. Section 321.34, subsection 11B, paragraph c, Code Supplement 2007, is amended to read as follows:

c. The special fee for letter number designated motorcycle rider education plates is thirty-five dollars. The fee for personalized motorcycle rider education plates is twenty-five dollars, which shall be paid in addition to the special motorcycle rider education fee of thirty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the department for use in accordance with section 321.180B, subsection 6, the amount of the special fees collected in the previous month for the motorcycle rider education plates.

Sec. 66. Section 321.34, subsection 13, paragraph d, Code Supplement 2007, is amended to read as follows:

d. A state agency may submit a request to the department recommending a special registration plate. The alternate fee for letter number designated plates is thirty-five dollars with a ten dollar annual special renewal fee. The fee for personalized plates is twenty-five dollars which is in addition to the alternative fee of thirty-five dollars with an annual personalized plate renewal fee of five dollars which is in addition to the special renewal fee of ten dollars. The alternate fees are in addition to the regular annual registration fee. The alternate fees collected under this paragraph shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of the revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The trea-

surer of state shall credit monthly from the statutory allocations fund created under section 321.145, subsection 2, the amount of the alternate fees collected in the previous month to the state agency that recommended the special registration plate.

Sec. 67. Section 321.34, subsection 16, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who is a member of the national guard, as defined in chapter 29A, may, upon written application to the department, order special registration plates with a national guard processed emblem with the emblem designed by the department in cooperation with the adjutant general which emblem signifies that the applicant is a member of the national guard. The application shall be approved by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized national guard plates shall be paid monthly to the treasurer of state and credited to deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for national guard plates. Special registration plates with a national guard processed emblem shall be surrendered, as provided in subsection 12, in exchange for regular registration plates upon termination of the owner's membership in the active national guard.

Sec. 68. Section 321.34, subsection 17, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who was at Pearl Harbor, Hawaii, as a member of the armed services of the United States on December 7, 1941, may, upon written application to the department, order special registration plates with a Pearl Harbor processed emblem. The emblem shall be designed by the department in consultation with service organizations. The application is subject to approval by the department. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized Pearl Harbor plates shall be paid monthly to the treasurer of state and credited to deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for Pearl Harbor plates.

Sec. 69. Section 321.34, subsection 18, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who was awarded a purple heart medal by the United States government for wounds received in military or naval combat against an armed enemy of the United States may, upon written application to the department and presentation of satisfactory proof of the award of the purple heart medal, order special registration plates with a purple heart processed emblem. The design of the emblem shall include a representation of a purple heart medal and ribbon. The application is subject to approval by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized purple heart plates shall be paid monthly to the treasurer of state and credited to deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund

created in section 35A.11 the amount of the special fees collected in the previous month for purple heart plates.

Sec. 70. Section 321.34, subsection 19, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who is a retired member of the United States armed forces may, upon written application to the department and upon presentation of satisfactory proof of membership, order special registration plates with a United States armed forces retired processed emblem. The emblem shall be designed by the department in consultation with service organizations. The application is subject to approval by the department. For purposes of this subsection, a person is considered to be retired if the person is recognized by the United States armed forces as retired from the United States armed forces. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized armed forces retired plates shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for armed forces retired plates.

Sec. 71. Section 321.34, subsection 20, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who was awarded a silver or a bronze star by the United States government, may, upon written application to the department and presentation of satisfactory proof of the award of the silver or bronze star, order special registration plates with a silver or bronze star processed emblem. The emblem shall be designed by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized silver star and bronze star plates shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for silver star and bronze star plates.

Sec. 72. Section 321.34, subsection 20A, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who was awarded a distinguished service cross, a navy cross, or an air force cross by the United States government may, upon written application to the department and presentation of satisfactory proof of the award, order special registration plates with a distinguished service cross, navy cross, or air force cross processed emblem. The emblem shall be designed by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized distinguished service cross, navy cross, and air force cross plates shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for distinguished service cross, navy cross, and air force cross plates.

Sec. 73. Section 321.34, subsection 20B, unnumbered paragraph 1, Code Supplement 2007, is amended to read as follows:

An owner referred to in subsection 12 who was awarded a soldier's medal, a navy and marine corps medal, or an airman's medal by the United States government may, upon written application to the department and presentation of satisfactory proof of the award, order special registration plates with a soldier's medal, navy and marine corps medal, or airman's medal processed emblem. The emblem shall be designed by the department in consultation with the adjutant general. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized soldier's medal, navy and marine corps medal, and airman's medal plates shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for soldier's medal, navy and marine corps medal, and airman's medal plates.

Sec. 74. Section 321.34, subsection 21, paragraph c, Code Supplement 2007, is amended to read as follows:

c. The special fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall credit monthly ~~from the statutory allocations fund created under section 321.145, subsection 2,~~ to the Iowa heritage fund created under section 303.9A the amount of the special fees collected in the previous month for the Iowa heritage plates.

Sec. 75. Section 321.34, subsection 22, paragraph b, Code Supplement 2007, is amended to read as follows:

b. The special school transportation fee for letter number designated education plates is thirty-five dollars. The fee for personalized education plates is twenty-five dollars, which shall be paid in addition to the special school transportation fee of thirty-five dollars. The annual special school transportation fee is ten dollars for letter number designated registration plates and is fifteen dollars for personalized registration plates which shall be paid in addition to the regular annual registration fee. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the school budget review committee in accordance with section 257.31, subsection 17, the amount of the special school transportation fees collected in the previous month for the education plates.

Sec. 76. Section 321.34, subsection 23, paragraph c, Code Supplement 2007, is amended to read as follows:

c. The special fee for letter number designated breast cancer awareness plates is thirty-five dollars. The fee for personalized breast cancer awareness plates is twenty-five dollars, which shall be paid in addition to the special breast cancer awareness fee of thirty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the Iowa department of

public health the amount of the special fees collected in the previous month for the breast cancer awareness plates and such funds are appropriated to the Iowa department of public health. The Iowa department of public health shall distribute one hundred percent of the funds received monthly in the form of grants to support breast cancer screenings for both men and women who meet eligibility requirements like those established by the Susan G. Komen foundation. In the awarding of grants, the Iowa department of public health shall give first consideration to affiliates of the Susan G. Komen foundation and similar nonprofit organizations providing for breast cancer screenings at no cost in Iowa. Notwithstanding section 8.33, moneys transferred under this subsection shall not revert to the general fund of the state.

Sec. 77. Section 321.34, subsection 24, Code Supplement 2007, is amended to read as follows:

24. GOLD STAR PLATES. An owner referred to in subsection 12 who is the surviving spouse, parent, child, or sibling of a deceased member of the United States armed forces who died while serving on active duty during a time of military conflict may order special registration plates bearing a gold star emblem upon written application to the department accompanied by satisfactory supporting documentation as determined by the department. The gold star emblem shall be designed by the department in cooperation with the commission of veterans affairs. The special plate fees collected by the director under subsection 12, paragraph "a", from the issuance and annual validation of letter-number designated and personalized gold star plates shall be paid monthly to the treasurer of state and ~~credited to~~ deposited in the road use tax fund. ~~Notwithstanding section 423.43, and prior to the crediting of revenues to the road use tax fund under section 423.43, subsection 1, paragraph "b", the~~ The treasurer of state shall transfer monthly from ~~those revenues~~ the statutory allocations fund created under section 321.145, subsection 2, to the veterans license fee fund created in section 35A.11 the amount of the special fees collected in the previous month for gold star plates.

Sec. 78. Section 321.39, subsections 3 and 4, Code 2007, are amended to read as follows:

3. For vehicles on which the first installment of an annual registration fee has been paid, at midnight on the last day of June or the first business day of July when June 30 falls on Saturday, Sunday, or a holiday; for vehicles on which the second installment of an annual registration fee has been paid, at midnight on the last day of December or the first business day of January when December 31 falls on Saturday, Sunday, or a holiday.

4. For vehicles registered without payment of annual registration fees as provided in section 321.19, when designated by the department.

5. Registration for every vehicle registered by the county treasurer shall expire upon transfer of ownership.

Sec. 79. Section 321.40, subsection 1, Code Supplement 2007, is amended to read as follows:

1. Application for renewal of a vehicle registration shall be made on or after the first day of the month prior to the month of expiration of registration and up to and including the last day of the month following the month of expiration of registration. The registration shall be renewed upon payment of the appropriate annual registration fee. Application for renewal for a vehicle registered under chapter 326 shall be made on or after the first day of the month of expiration of registration and up to and including the last day of the month following the month of expiration of registration.

Sec. 80. Section 321.46, subsections 2, 3, 4, 6, and 7, Code 2007, are amended to read as follows:

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of ten dollars ~~and a~~ an annual registration fee prorated for the remaining unexpired months of the registration year, ~~and a fee for new registration if applicable.~~ A manufacturer applying for a certificate of title pursuant to section 322G.12 shall pay a title fee of two dollars. However, a title fee shall not be charged to a manufactured or mobile home retailer applying

for a certificate of title for a used mobile home or manufactured home, titled in Iowa, as required under section 321.45, subsection 4. The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home or manufactured home, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, manufactured home, or a vehicle returned to and accepted by a manufacturer as described in section 322G.12, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured homes titled under chapter 448 that have been subject under section 446.18 to a public bidder sale in a county shall be titled in the county's name, with no fee, and the county treasurer shall issue the title.

3. The applicant shall be entitled to a credit for that portion of the annual registration fee of the vehicle sold, traded, or junked which had not expired prior to the transfer of ownership of the vehicle. The annual registration fee for the new registration for the vehicle acquired shall be reduced by the amount of the credit. The credit shall be computed on the basis of the number of months remaining in the registration year, rounded to the nearest whole dollar. The credit shall be subject to the following limitations:

a. The credit shall be claimed within thirty days from the date the vehicle for which credit is granted was sold, transferred, or junked. After thirty days, all credits shall be disallowed.

b. Any credit granted to the owner of a vehicle which has been sold, traded, or junked may only be claimed by that person toward the annual registration fee for another vehicle purchased and the credit may not be sold, transferred, or assigned to any other person.

c. When the amount of the credit is computed to be an amount of less than ten dollars, a credit shall be disallowed.

d. To claim a credit for the unexpired annual registration fee on a junked vehicle, the county treasurer shall disallow any claim for credit unless the owner presents a junking certificate or other evidence as required by the department to the county treasurer.

e. A credit shall not be allowed to any person who has made claim to receive a refund under section 321.126.

f. If the credit allowed exceeds the amount of the annual registration fee for the vehicle acquired, the owner may claim a refund under section 321.126, subsection 6, for the balance of the credit.

g. The credit shall be computed on the unexpired number of months computed from the date of purchase of the vehicle acquired.

4. If the annual registration fee upon application is delinquent, the applicant shall be required to pay the delinquent fee from the first day the annual registration fee was due prorated to the month of application for new title.

6. An applicant for a new registration for a vehicle transferred to the applicant by a spouse, parent, or child of the applicant, or by operation of law upon inheritance, devise or bequest, from the applicant's spouse, parent, or child, or by a former spouse pursuant to a decree of dissolution of marriage, is entitled to a credit to be applied to the annual registration fee for the transferred vehicle. A credit shall not be allowed unless the vehicle to which the credit applies is registered within the time specified under subsection 1. The credit shall be computed on the basis of the number of unexpired months remaining in the registration year of the former owner computed from the date the vehicle was transferred, computed to the nearest whole dollar. The credit may exceed the amount of the annual registration fee for the transferred vehicle. When the amount of the credit is computed to be an amount of less than ten dollars, the credit shall be disallowed. The credit shall not be sold, transferred, or assigned to any other person.

7. If a motor vehicle is leased and the lessee purchases the vehicle upon termination of the lease, the lessor shall, upon claim by the lessee with the lessor within thirty days of the purchase, assign the annual registration fee credit and registration plates for the leased motor vehicle to the lessee. Credit shall be applied as provided in subsection 3.

Sec. 81. Section 321.46A, Code 2007, is amended to read as follows:

321.46A CHANGE FROM PROPORTIONAL REGISTRATION — CREDIT.

An owner changing a vehicle's registration from proportional registration under chapter 326 to registration under this chapter shall be entitled to a credit on the vehicle's annual registration fees under this chapter. The credit shall be allowed when the owner surrenders to the county treasurer proof of proportional registration provided by the department. The amount of the credit shall be calculated based on the unexpired complete calendar months remaining in the registration year from the date the application is filed with the county treasurer.

Sec. 82. Section 321.52, subsections 1 and 3, Code Supplement 2007, are amended to read as follows:

1. When a vehicle is sold outside the state for purposes other than for junk, the owner, dealer or otherwise, shall detach the registration plates and registration card and shall indicate on the registration card the name and address of the foreign purchaser or transferee over the person's signature. Unless the registration plates are legally attached to another vehicle, the owner shall surrender the registration plates and registration card to the county treasurer, who shall cancel the records, destroy the registration plates, and forward the registration card to the department. The department shall make a notation on the records of the out-of-state sale and, after a reasonable period, may destroy the files for that particular vehicle. The department is not authorized to make a refund of annual registration fees on a vehicle sold out of state unless it receives the registration card completed as provided in this section.

3. When a vehicle for which a certificate of title is issued is junked or dismantled by the owner, the owner shall detach the registration plates and surrender the plates to the county treasurer, unless the plates are properly assigned to another vehicle. The owner shall also surrender the certificate of title to the county treasurer. Upon surrendering the certificate of title and application for junking certificate, the county treasurer shall issue to the person, without fee, a junking certificate, which shall authorize the holder to possess, transport or transfer ownership of the junked vehicle by endorsement of the junking certificate. The county treasurer shall hold the surrendered certificate of title, registration receipt, application for junking certificate, and, if applicable, the registration plates for a period of fourteen days following the issuance of a junking certificate under this subsection. Within the fourteen-day period the person who was issued the junking certificate and to whom the vehicle was titled or assigned may surrender to the county treasurer the junking certificate, and upon the person's payment of appropriate fees and taxes and payment of any credit for annual registration fees received by the person for the vehicle under section 321.46, subsection 3, the county treasurer shall issue to the person a certificate of title for the vehicle. After the expiration of the fourteen-day period, a county treasurer shall not issue a certificate of title for a junked vehicle for which a junking certificate is issued. The county treasurer shall cancel the record of the vehicle and forward the certificate of title to the department.

However, upon application the department upon a showing of good cause may issue a certificate of title after the fourteen-day period for a junked vehicle for which a junking certificate has been issued. For purposes of this subsection, "good cause" means that the junking certificate was obtained by mistake or inadvertence. If a person's application to the department is denied, the person may make application for a certificate of title under the bonding procedure as provided in section 321.24, if the vehicle qualifies as an antique vehicle under section 321.115, subsection 1, or the person may seek judicial review as provided under sections 17A.19 and 17A.20.

Sec. 83. Section 321.70, Code 2007, is amended to read as follows:

321.70 DEALER VEHICLES.

A dealer registered under this chapter shall not be required to register any vehicle owned by the dealer which is being held for sale or trade, provided the annual registration fee was not delinquent at the time the vehicle was acquired by the dealer. When a dealer ceases to hold

any vehicle for sale or trade or the vehicle otherwise becomes subject to registration under this chapter the annual registration fee and delinquent annual registration fee, if any, shall be due for the registration year.

Sec. 84. Section 321.101, subsection 1, paragraph d, Code Supplement 2007, is amended to read as follows:

d. When the department determines that the required annual registration fee has not been paid and the fee is not paid upon reasonable notice and demand.

Sec. 85. Section 321.101A, Code 2007, is amended to read as follows:

321.101A REVOCATION OF REGISTRATION BY COUNTY TREASURER.

The county treasurer may revoke the registration and registration plates of a vehicle if the annual registration fees are fee or the fee for new registration is paid by check, electronic payment, or credit card and the check, electronic payment, or credit card is not honored by the payer's financial institution or credit card company, upon reasonable notice and demand. The owner of the vehicle or person in possession of the registration and registration plates for the vehicle shall immediately return the revoked registration and registration plates to the appropriate county treasurer's office.

Sec. 86. Section 321.105, Code 2007, is amended to read as follows:

321.105 ANNUAL REGISTRATION FEE REQUIRED.

1. An annual registration fee shall be paid for each vehicle operated upon the public highways of this state unless the vehicle is specifically exempted under this chapter. If a vehicle, which has been registered for the current registration year, is transferred during the registration year, the transferee shall reregister the vehicle as provided in section 321.46.

2. The annual registration fee shall be paid to the county treasurer at the same time the application is made for the registration or reregistration of the motor vehicle or trailer. An owner may, when applying for registration or reregistration of a motor vehicle or trailer, request that the plates be mailed to the owner's post-office address. The owner's request shall be accompanied by a mailing fee as determined annually by the director in consultation with the Iowa county treasurers association.

3. Upon application by a financial institution, as defined in section 422.61, and approval of the application by the county treasurer, the county treasurer in any county may authorize the financial institution to receive applications for renewal of vehicle registrations and payment of the annual registration fees. The annual registration fees shall be delivered to the county treasurer at the time the county treasurer has processed the vehicle registration application. Registration Annual registration fees received with vehicle registration applications shall be designated as public funds only upon receipt of such funds by the county treasurer from the financial institution.

4. In addition to the payment of an annual registration fee for each trailer and semitrailer to be issued an annual registration plate, an additional registration fee may be paid for a period of two or four subsequent registration years.

5. Seriously disabled veterans who have been provided with an automobile or other vehicle by the United States government under the provisions of sections 1901 to 1903, Title 38 of the United States Code, 38 U.S.C. § 1901 et seq. (1970), shall be exempt from payment of any automobile registration fee provided in this chapter, and shall be provided, without fee, with a registration plate. The disabled veteran, to be able to claim the above benefit, must be a resident of the state of Iowa. The disabled veteran may obtain a special or personalized plate under section 321.34 by paying the difference between the fee for a regular registration plate and the fee for the special or personalized registration plate.

Sec. 87. Section 321.106, subsections 1, 2, and 4, Code 2007, are amended to read as follows:

1. When a vehicle is registered under chapter 326 or a motor truck, truck tractor, or road

tractor is registered for a combined gross weight exceeding five tons and there is no delinquency and the registration is made in February or succeeding months through November, the annual registration fee shall be prorated for the remaining unexpired months of the registration year. A fee shall not be required for the month of December for a vehicle registered on a calendar year basis on which there is no delinquency. However, except for a vehicle registered under chapter 326, when such a vehicle is registered in November, the vehicle may be registered for the remaining unexpired months of the registration year or for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

2. When a vehicle is registered on a birth month basis and there is no delinquency and the registration is made in the month after the beginning of the registration year or succeeding months, the annual registration fee shall be prorated for the remaining unexpired months of the registration year. A fee shall not be required for the month of the owner's birthday for a vehicle on which there is no delinquency. However, when a vehicle registered on a birth month basis is registered during the eleventh month of the registration year, the vehicle may be registered for the remaining unexpired months of the registration year or for the remaining unexpired months of the registration year and for the next registration year, upon payment of the applicable registration fees.

4. A reduction in the annual registration fee shall not be allowed by the department until the applicant files satisfactory evidence to prove that there is no delinquency in registration.

Sec. 88. Section 321.109, subsection 3, Code 2007, is amended to read as follows:

3. The owner of an unregistered motor vehicle or motor vehicle for which the registration is delinquent may make application to the county treasurer of the county of residence or, if the unregistered or delinquent motor vehicle is purchased by a nonresident of the state, to the county treasurer in the county of purchase, for a temporary thirty-day permit for a fee of twenty-five dollars. The permit shall authorize the motor vehicle to be driven or towed upon the highway, but shall not authorize a motor truck or truck tractor to haul or tow a load. The permit fee shall not be considered a registration fee or exempt the owner from payment of all other fees, registration fees, and penalties due. If the annual registration fee for the motor vehicle is delinquent, the annual registration fee and penalty shall continue to accrue until paid. The permit fee shall not be prorated, refunded, or used as credit as provided under section 321.46. The permit shall be displayed in the upper left-hand corner of the rear window of all motor vehicles, except motorcycles. Permits issued for a motorcycle shall be attached to the rear of the motorcycle.

Sec. 89. Section 321.110, Code 2007, is amended to read as follows:

321.110 REJECTING FRACTIONAL DOLLARS.

When the annual registration fee, computed according to section 321.109, subsection 1, totals a fraction over a certain number of dollars the fee shall be arrived at by computing to the nearest even dollar.

Sec. 90. Section 321.113, Code 2007, is amended to read as follows:

321.113 AUTOMATIC REDUCTION.

1. The annual registration fee for a motor vehicle shall not be automatically reduced under this section unless the ~~registration~~ fee is based on the value and weight of the motor vehicle as provided in section 321.109, subsection 1.

2. If a motor vehicle is more than five model years old, the part of the annual registration fee that is based on the value of the vehicle shall be seventy-five percent of the rate as fixed when the motor vehicle was new.

3. If a motor vehicle is more than six model years old, the part of the annual registration fee that is based on the value of the vehicle shall be fifty percent of the rate as fixed when the motor vehicle was new.

4. If a 1994 model year or newer motor vehicle is nine model years old or older the annual

registration fee is thirty-five dollars. For purposes of determining the portion of the annual registration fee under this subsection that is based upon the value of the motor vehicle, sixty percent of the annual registration fee is attributable to the value of the vehicle.

5. a. If a 1993 model year or older motor vehicle has been titled in the same person’s name since the vehicle was new or the title to the vehicle was transferred prior to January 1, 2002, the part of the annual registration fee that is based on the value of the vehicle shall be ten percent of the rate as fixed when the motor vehicle was new.

b. If the title of a 1993 model year or older motor vehicle is transferred to a new owner or if such a motor vehicle is brought into the state on or after January 1, 2002, the annual registration fee shall not be based on the weight and list price of the motor vehicle, but shall be as follows:

- (1) For a motor vehicle that is model year 1969 or older: \$ 16.00
- (2) For a motor vehicle that is model year 1970 through 1989: \$ 23.00
- (3) For a motor vehicle that is model year 1990 through 1993: \$ 27.00

For purposes of determining the portion of the annual registration fee under this paragraph “b” that is based upon the value of the motor vehicle, sixty percent of the annual registration fee is attributable to the value of the vehicle.

Sec. 91. Section 321.117, Code 2007, is amended to read as follows:
 321.117 MOTORCYCLE, AMBULANCE, AND HEARSE FEES.

For all motorcycles the annual registration fee shall be twenty dollars. For all motorized bicycles the annual registration fee shall be seven dollars. When the motorcycle is more than five model years old, the annual registration fee shall be ten dollars. The annual registration fee for ambulances and hearses shall be fifty dollars. Passenger car plates shall be issued for ambulances and hearses.

Sec. 92. Section 321.119, Code 2007, is amended to read as follows:
 321.119 CHURCH BUSES.

For motor vehicles designed to carry nine passengers or more which are owned and used exclusively by a church or religious organization to transport passengers to and from activities of or sponsored by the church or religious organization and not operated for rent or hire for purposes unrelated to the activities of the church or religious organization, the annual registration fee shall be twenty-five dollars.

Sec. 93. Section 321.121, Code 2007, is amended to read as follows:
 321.121 SPECIAL TRUCKS FOR FARM USE.

1. The annual registration fee for a special truck shall be eighty dollars for a gross weight of six tons, one hundred dollars for a gross weight of seven tons, one hundred twenty dollars for a gross weight of eight tons, and in addition, fifteen dollars for each ton over eight tons and not exceeding eighteen tons. The annual registration fee for a special truck with a gross weight registration exceeding eighteen tons but not exceeding nineteen tons shall be three hundred twenty-five dollars and for a gross weight registration exceeding nineteen tons but not exceeding twenty tons the annual registration fee shall be three hundred seventy-five dollars. The additional annual registration fee for a special truck for a gross weight registration in excess of twenty tons is twenty-five dollars for each ton over twenty tons and not exceeding thirty-two tons.

2. A person convicted of or found by audit to be using a motor vehicle registered as a special truck for any purpose other than permitted by section 321.1, subsection 76, shall, in addition to any other penalty imposed by law, be required to pay regular annual motor vehicle registration fees ~~upon~~ for such motor vehicle.

Sec. 94. Section 321.123, unnumbered paragraph 1, Code 2007, is amended to read as follows:

All trailers except farm trailers, mobile homes, and manufactured homes, unless otherwise provided in this section, are subject to a an annual registration fee of ten dollars. Trailers for which the empty weight is two thousand pounds or less are exempt from the certificate of title and lien provisions of this chapter. Fees collected under this section shall not be reduced or prorated under chapter 326.

Sec. 95. Section 321.123, subsection 1, unnumbered paragraph 1, Code 2007, is amended to read as follows:

Travel trailers and fifth-wheel travel trailers, except those in manufacturer's or dealer's stock, shall be subject to an annual registration fee of twenty cents per square foot of floor space computed on the exterior overall measurements, but excluding three feet occupied by any trailer hitch as provided by and certified to by the owner, to the nearest whole dollar. When a travel trailer or fifth-wheel travel trailer is registered in Iowa for the first time or when title is transferred, the annual registration fee shall be prorated on a monthly basis. The annual registration fee shall be reduced to seventy-five percent of the full fee after the vehicle is more than six model years old.

Sec. 96. Section 321.125, Code 2007, is amended to read as follows:

321.125 EFFECT OF EXEMPTION.

The exemption of a motor vehicle from a an annual registration fee or a fee for new registration shall not exempt the operator of such vehicle from the performance of any other duty imposed on the operator by this chapter.

Sec. 97. Section 321.126, Code 2007, is amended to read as follows:

321.126 REFUNDS OF ANNUAL REGISTRATION FEES.

Refunds of unexpired annual vehicle registration fees shall be allowed in accordance with this section, except that no refund shall be allowed and paid if the unused portion of the fee is less than ten dollars. Subsections 1 and 2 do not apply to vehicles registered by the county treasurer. The refunds shall be made as follows:

1. If the vehicle is destroyed by fire or accident, or junked and its identity as a vehicle entirely eliminated, the owner in whose name the vehicle was registered at the time of destruction or dismantling shall return the plates to the department and within thirty days thereafter make a statement of such destruction or dismantling and make claim for refund. With reference to the destruction or dismantling of a vehicle, no refund shall be allowed unless a junking certificate has been issued, as provided in section 321.52.

2. If the vehicle is stolen, the owner shall give notice of the theft to the department within five days. If the vehicle is not recovered by the owner thirty days prior to the end of the current registration year, the owner shall make a statement of the theft and make claim for refund.

3. If the vehicle is placed in storage by the owner upon the owner's entry into the military service of the United States, the owner shall return the plates to the county treasurer or the department and make a statement regarding the storage and military service and make claim for refund. Whenever the owner of a vehicle so placed in storage desires to again register the vehicle, the county treasurer or department shall compute and collect the fees for registration for the registration year commencing in the month the vehicle is removed from storage.

4. If the vehicle is registered by the county treasurer during the current registration year and the owner or lessee registers the vehicle for proportional registration under chapter 326, the owner of the registered vehicle shall surrender the registration plates to the county treasurer and may file a claim for refund. In lieu of a refund, a credit for the annual registration fees paid to the county treasurer may be applied by the department to the owner or lessee's proportional registration fees upon the surrender of the county plates and registration.

5. A refund for trailers and semitrailers issued a multiyear registration plate shall be paid by the department upon application.

6. If a vehicle is sold or junked, the owner in whose name the vehicle was registered may make claim to the county treasurer or department for a refund of the sold or junked vehicle's annual registration fee. Also if the owner of a vehicle receives a vehicle registration fee credit under section 321.46, subsection 3, and the credit allowed exceeds the amount of the annual registration fee for the vehicle acquired, the owner may claim a refund for the balance of the credit. The refund is subject to the following limitations:

a. If a vehicle registration fee credit has not been received by the owner of the vehicle under section 321.46, subsection 3, the refund shall be computed on the basis of the number of unexpired months remaining in the registration year at the time the vehicle was sold or junked. The refund shall be rounded to the nearest whole dollar. Section 321.127, subsection 1, does not apply.

b. The refund shall only be allowed if the owner makes claim for the refund within six months after the date of the vehicle's sale, trade, or junking.

c. This subsection does not apply to vehicles registered under chapter 326.

7. If the vehicle was leased and an affidavit was filed by the lessor or the lessee as provided in section 321.46, the lessor or the lessee, as applicable, may make a claim for a refund with the county treasurer of the county where the vehicle was registered within six months of the vehicle's surrender to the lessor. The refund shall be paid to either the lessor or the lessee, as specified on the application for title and registration pursuant to section 321.20.

8. If the owner of the vehicle moves out of state, the owner may make a claim for a refund by returning the Iowa registration plates, along with evidence of the vehicle's registration in another jurisdiction, to the county treasurer of the county in which the vehicle was registered within six months of the out-of-state registration. For purposes of section 321.127, the unexpired months remaining in the registration year shall be calculated on the basis of the effective date of the out-of-state registration. However, for the purpose of timely issuance of the refund, the claim for a refund under this subsection is considered to be filed on the date the registration documents are received by the county treasurer.

9. Notwithstanding any provision of this section to the contrary, there shall be no refund of proportional registration fees unless the state which issued the base plate for the vehicle allows such refund. If an owner subject to proportional registration leases the vehicle for which the refund is sought, the claim shall be filed in the names of both the lessee and the lessor and the refund payment made payable to both the lessor and the lessee. The term "owner" for purposes of this section shall include a person in whom is vested right of possession or control of a vehicle which is subject to a lease, contract, or other legal arrangement vesting right of possession or control in addition to the term as defined in section 321.1, subsection 49.

Sec. 98. Section 321.127, subsection 1, Code 2007, is amended to read as follows:

1. The refund of the annual registration fee for vehicles shall be computed on the basis of the number of unexpired months remaining in the registration year from date of filing of the claim for refund with the county treasurer, computed to the nearest dollar.

Sec. 99. Section 321.132, Code 2007, is amended to read as follows:

321.132 WHEN LIEN ATTACHES.

The lien of the original annual registration fee attaches, at the time the fee is first payable, as provided by law, and the lien of all renewals of registration attach on the first day of each succeeding registration year.

Sec. 100. Section 321.134, Code Supplement 2007, is amended to read as follows:

321.134 MONTHLY PENALTY.

1. On the first day of the second month following the beginning of each registration year a penalty of five percent of the annual registration fee shall be added to the annual registration fees not paid by that date and an additional penalty of five percent shall be added the first day of each succeeding month, until the fee is paid. A penalty shall not be less than five dollars. If the owner of a vehicle surrenders the registration plates for a vehicle prior to the plates be-

coming delinquent, to the county treasurer of the county where the vehicle is registered, or to the department if the vehicle is registered under chapter 326, the owner may register the vehicle any time thereafter upon payment of the annual registration fee for the registration year without penalty. The penalty on vehicles registered under chapter 326 shall accrue February 1 of each year. To avoid a penalty or an additional penalty in the case of a delinquent registration, if the last calendar day of a month falls on Saturday, Sunday, or a holiday, the payment deadline is extended to include the first business day of the following month. For payments made through a county treasurer's authorized website only, if the last day of the month falls on a Saturday, Sunday, or a holiday, the electronic payment must be initiated by midnight on the first business day of the next month. All other electronic payments must be initiated by midnight on the last day of the month preceding the delinquent date.

2. The annual registration fee for trucks, truck tractors, and road tractors, as provided in sections 321.121 and 321.122, may be payable in two equal semiannual installments if the annual registration fee exceeds the annual registration fee for a vehicle with a gross weight exceeding five tons. The penalties provided in subsection 1 shall be computed on the amount of the first installment only and on the first day of the seventh month of the registration period the same rate of penalty shall apply to the second installment, until the fee is paid. Semiannual installments do not apply to commercial vehicles, as defined under section 326.2, subject to proportional registration, with a base state other than the state of Iowa, as defined in section 326.2, subsection 1. The penalty on vehicles registered under chapter 326 accrues August 1 of each year except as provided in section 326.6. The department shall not allow the annual registration fee for a commercial vehicle registered under chapter 326 to be paid in two equal semiannual installments for five years after the registrant has paid the annual registration fee late for two consecutive years.

3. If a penalty applies to a an annual vehicle registration fee provided for in sections 321.121 and 321.122, the same penalty shall be assessed on the fees collected to increase the registered gross weight of the vehicle, if the increased gross weight is requested within forty-five days from the date the delinquent vehicle is registered for the current registration period.

4. Notwithstanding subsections 1 through 3, if a vehicle registration is delinquent for twenty-four months or more, a flat penalty and fee shall be assessed for the delinquent period in addition to the current annual registration fee. The flat penalty and fee shall be one hundred fifty percent of the current annual registration fee.

5. The department shall waive the penalties imposed by this section for an owner who is in the military service of the United States and who has been relocated as a result of being placed on active duty on or after September 11, 2001. The department shall adopt rules to implement this subsection, including, if necessary, procedures for refunding penalties collected prior to March 29, 2004.

Sec. 101. Section 321.135, Code 2007, is amended to read as follows:

321.135 WHEN FEES DELINQUENT.

Except as otherwise provided, ~~delinquencies begin~~ annual registration fees become delinquent and penalties accrue the first of the month following the purchase of a new vehicle, and thirty days following the date a vehicle is brought into the state.

Sec. 102. Section 321.151, Code 2007, is amended to read as follows:

321.151 DUTY AND LIABILITY OF TREASURER.

The county treasurer shall collect the registration fee, the fee for new registration, and penalties on each vehicle registered by the county treasurer and shall be responsible on the county treasurer's bond for such amount. The county treasurer shall remit such amount to the treasurer of state as provided in this chapter. Fees collected pursuant to participation in county issuance of driver's licenses under chapter 321M shall be governed by the provisions of that chapter.

Sec. 103. Section 321.152, subsection 1, Code 2007, is amended to read as follows:

1. Four percent of the total collection, excluding the amount of any fee for new registration,

for each annual or semiannual vehicle registration and each duplicate registration card or plate issued.

Sec. 104. Section 321.152, Code 2007, is amended by adding the following new subsection: NEW SUBSECTION. 5. One dollar from each fee for new registration collected pursuant to section 321.105A.

Sec. 105. Section 321.159, Code 2007, is amended to read as follows:

321.159 EXCEPTIONAL CASES — ANNUAL REGISTRATION FEE.

The department shall have the power to fix the annual registration fee on all makes and models of motor vehicles which are not now being furnished or upon which the statement from the factory cannot be obtained.

For a current year model of a motor vehicle for which the manufacturer or importer of the motor vehicle has not provided the weight and list price, the department shall set the annual registration fee at ten dollars greater than the annual registration fee for the previous year model. Once the manufacturer or importer provides the required information, the information shall be used to set the annual registration fee or the registration renewal fee for the succeeding registration or registration renewal time for the motor vehicle.

Sec. 106. Section 321.170, Code 2007, is amended to read as follows:

321.170 PLATES FOR EXEMPT VEHICLES.

The department shall furnish, on application, free of charge, distinguishing plates for motor vehicles exempted from a annual registration fee fees and shall keep a separate record thereof.

Sec. 107. Section 322G.4, subsection 2, unnumbered paragraph 2, Code 2007, is amended to read as follows:

Refunds shall be made to the consumer and lienholder of record, if any, as their interests appear. If applicable, refunds shall be made to the lessor and lessee as follows: the lessee shall receive the lessee's cost less a reasonable offset for use, and the lessor shall receive the lease price less the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle. If it is determined that the lessee is entitled to a refund pursuant to this chapter, the consumer's lease agreement with the lessor is terminated upon payment of the refund and no penalty for early termination shall be assessed. The department of revenue shall refund to the manufacturer any use tax or fee for new registration which the manufacturer refunded to the consumer, lessee, or lessor under this section, if the manufacturer provides to the department of revenue a written request for a refund and evidence that the use tax or fee for new registration was paid when the vehicle was purchased and that the manufacturer refunded the use tax or fee for new registration to the consumer, lessee, or lessor.

Sec. 108. Section 322G.12, unnumbered paragraph 1, Code 2007, is amended to read as follows:

A manufacturer who accepts the return of a motor vehicle pursuant to a settlement, determination, or decision under this chapter shall notify the state department of transportation, report the vehicle identification number of that motor vehicle within ten days after the acceptance, and obtain a new certificate of title for the vehicle in the manufacturer's name pursuant to section 321.46. In obtaining a new certificate of title, the manufacturer shall title the vehicle in the county of the transferor's residence and shall be exempt from the registration fee requirements of section 321.46. ~~For purposes of chapter 423, a manufacturer's acceptance of the return of a motor vehicle, as described in this section, shall not be considered "use", as defined in section 423.1 and the fee for new registration under section 321.105A.~~ The new certificate of title, and all subsequent registration receipts and certificates of title issued for the motor vehicle, shall contain a designation indicating that the motor vehicle was returned to the manufacturer pursuant to this chapter or a similar law of another state. The state department of transportation shall determine the manner in which the designation is to be indicated on registration receipts and certificates of title and may determine that a "REBUILT" or "SALVAGE"

designation supersedes the designation required by this paragraph and include the "REBUILT" or "SALVAGE" designation on the registration receipt and certificate of title in lieu of the designation required by this paragraph.

Sec. 109. Section 326.2, Code 2007, is amended by adding the following new subsection: NEW SUBSECTION. 11A. "Registration fee" means the annual motor vehicle registration fee imposed pursuant to section 321.105, unless otherwise specified.

Sec. 110. Section 327I.26, Code 2007, is amended to read as follows:
327I.26 APPROPRIATION TO AUTHORITY.

~~Notwithstanding section 423.43, and prior to the application of section 423.43, subsection 1, paragraph "b", there~~ There shall be deposited into the general fund of the state and is appropriated to the authority from ~~eighty percent of the revenues derived from the operation of section 423.26~~ the statutory allocations fund created under section 321.145, subsection 2, the amounts certified by the authority under section 327I.25. However, the total amount deposited into the general fund and appropriated to the Iowa railway finance authority under this section shall not exceed two million dollars annually. Moneys appropriated to the Iowa railway finance authority under this section are appropriated only for the payment of principal and interest on obligations or the payment of leases guaranteed by the authority as provided under section 327I.25.

Sec. 111. Section 331.557, subsection 3, Code 2007, is amended to read as follows:

3. Collect the use tax on vehicles subject to ~~registration only to a certificate of title and on manufactured housing~~ as provided in ~~sections section 423.14, and section 423.26, and 423.27, subsection 1.~~

Sec. 112. Section 423.5, subsection 3, Code 2007, is amended to read as follows:

3. The use of leased vehicles, if the lease transaction does not require titling or registration of the vehicle, on the amount subject to tax as calculated pursuant to section ~~423.27~~ 423.26, subsection 2.

Sec. 113. Section 423.36, subsection 8, paragraph b, subparagraph (2), Code 2007, is amended to read as follows:

(2) Taxes imposed under ~~sections section 423.26 and 423.27~~ and chapter 423C.

Sec. 114. Section 423.57, Code Supplement 2007, is amended to read as follows:
423.57 STATUTES APPLICABLE.

The director shall administer this subchapter as it relates to the taxes imposed in this chapter in the same manner and subject to all the provisions of, and all of the powers, duties, authority, and restrictions contained in sections 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31, 423.32, 423.33, 423.34, 423.35, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection 3 ~~1~~, and sections 423.45, 423.46, and 423.47.

Sec. 115. Section 423B.4, unnumbered paragraphs 2 and 3, Code 2007, are amended to read as follows:

Payment of a local vehicle tax shall be evidenced by a notation on the state registration certificate. The director of the department of transportation shall prescribe by rule the type of notation. A local vehicle tax shall not be refunded even when annual state registration fees are refunded.

Penalties for late payment which are comparable to the penalties for late payment of annual state registration fees shall be imposed by the ordinance imposing a local vehicle tax. Willful violation of a local vehicle tax ordinance is a simple misdemeanor.

Sec. 116. Section 455D.11C, subsection 1, Code 2007, is amended to read as follows:

1. A waste tire management fund is created within the state treasury. ~~Moneys~~ For the fiscal

~~year beginning July 1, 2002, through the fiscal year beginning July 1, 2006, moneys~~ received from each five dollar surcharge on the issuance of a certificate of title shall be deposited as provided in section 321.52A, ~~subsection 2 Code 2007~~. Notwithstanding section 8.33, any unexpended balance in the fund at the end of each fiscal year shall be retained in the fund. Notwithstanding section 12C.7, any interest or earnings on investments from moneys in the fund shall be credited to the fund. Moneys from the fund that are expended by the department in closing or bringing into compliance a waste tire collection site pursuant to section 455D.11A and later recouped by the department shall be credited to the fund.

Sec. 117. Section 455G.3, subsection 1, Code 2007, is amended to read as follows:

1. The Iowa comprehensive petroleum underground storage tank fund is created as a separate fund in the state treasury, and any funds remaining in the fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Iowa comprehensive petroleum underground storage tank fund. Interest or other income earned by the fund shall be deposited in the fund. The fund shall include moneys credited to the fund under this section, section 423.43 ~~321.145~~, subsection 1 ~~2~~, paragraph "a", and sections 455G.8, 455G.9, and 455G.11, Code 2003, and other funds which by law may be credited to the fund. The moneys in the fund are appropriated to and for the purposes of the board as provided in this chapter. Amounts in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes set forth in this chapter. The treasurer of state shall act as custodian of the fund and disburse amounts contained in it as directed by the board including automatic disbursements of funds as received pursuant to the terms of bond indentures and documents and security provisions to trustees and custodians. The treasurer of state is authorized to invest the funds deposited in the fund at the direction of the board and subject to any limitations contained in any applicable bond proceedings. The income from such investment shall be credited to and deposited in the fund. The fund shall be administered by the board which shall make expenditures from the fund consistent with the purposes of the programs set out in this chapter without further appropriation. The fund may be divided into different accounts with different depositories as determined by the board and to fulfill the purposes of this chapter.

Sec. 118. Section 455G.6, subsection 4, Code 2007, is amended to read as follows:

4. Grant a mortgage, lien, pledge, assignment, or other encumbrance on one or more improvements, revenues, asset of right, accounts, or funds established or received in connection with the fund, including revenues derived from the ~~use tax moneys credited~~ under section 423.43 ~~321.145~~, subsection 1 ~~2~~, paragraph "a", and deposited in the fund or an account of the fund.

Sec. 119. Section 455G.8, subsection 2, Code 2007, is amended to read as follows:

2. ~~USE TAX STATUTORY ALLOCATIONS FUND. The revenues derived from the use tax imposed under chapter 423, subchapter III. The proceeds of the use tax moneys credited from the statutory allocations fund~~ under section 423.43 ~~321.145~~, subsection 1 ~~2~~, paragraph "a", shall be allocated, consistent with this chapter, among the fund's accounts, for debt service and other fund expenses, according to the fund budget, resolution, trust agreement, or other instrument prepared or entered into by the board or authority under direction of the board.

Sec. 120. Section 321.115, subsection 1, as enacted by 2007 Iowa Acts, chapter 143, section 12, is amended to read as follows:

1. A motor vehicle twenty-five years old or older may be registered as an antique vehicle upon payment of ~~The annual registration fee is~~ the fee provided for in section 321.113, 321.122, or 321.124. The owner of a motor vehicle registered under this subsection may display authentic Iowa registration plates from the model year of the motor vehicle, furnished by the person and approved by the department, in lieu of the current and valid Iowa registration plates issued for the vehicle, provided that the current and valid Iowa registration plates and

the registration card issued for the vehicle are simultaneously carried within the vehicle and are available for inspection to any peace officer upon the officer's request.

Sec. 121. Section 321.173, as amended by 2008 Iowa Acts, House File 2213,⁷ is amended by adding the following new subsection:

NEW SUBSECTION. 3. This section does not apply to the fee for new registration administered by the department of revenue pursuant to section 321.105A.

Sec. 122. 2007 Iowa Acts, chapter 179, section 6, is amended to read as follows:

SEC. 6. Section 423.57, Code 2007, as amended by this Act, is amended to read as follows:
423.57 STATUTES APPLICABLE.

The director shall administer this subchapter as it relates to the taxes imposed in this chapter in the same manner and subject to all the provisions of, and all of the powers, duties, authority, and restrictions contained in sections 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31, 423.32, 423.33, 423.34, 423.34A, 423.35, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection 3 1, and sections 423.45, 423.46, and 423.47.

Sec. 123. Section 423.44, Code 2007, is repealed.

PART 5 CONTINGENT CONFORMING AMENDMENTS

Sec. 124. Section 423.5, subsection 3, Code 2007, as amended by this division of this Act, is amended to read as follows:

3. ~~The An excise tax at the rate of five percent is imposed on the~~ use of leased vehicles, if the lease transaction does not require titling or registration of the vehicle, on the amount subject to tax as calculated pursuant to section 423.26, subsection 2.⁸

Sec. 125. Section 423.43, subsection 1, as enacted by this division of this Act, is amended to read as follows:

1. a. Except as provided in subsection 2, all revenue arising under the operation of the use tax under subchapter III shall be deposited into the general fund of the state.

b. Subsequent to the deposit into the general fund of the state and after the transfer of such revenues collected under chapter 423B, the department shall transfer one-sixth of such remaining revenues to the secure an advanced vision for education fund created in section 423F.2. This paragraph is repealed December 31, 2029.

Sec. 126. The sections of 2008 Iowa Acts, House File 2663,⁹ amending section 312.1, subsection 4, section 327I.26, section 423.5, subsection 3, section 455G.3, subsection 1, section 455G.6, subsection 4, and section 455G.8, subsection 2, Code 2007, are repealed.

Sec. 127. The sections of 2008 Iowa Acts, House File 2663,¹⁰ amending section 312.2, subsection 14, section 321.34, subsections 7, 10, 10A, 11, 11A, 11B, 13, 16, 17, 18, 19, 20, 20A, 20B, 21, 22, 23, and 24, section 423.43, and section 423.57, Code Supplement 2007, are repealed.

Sec. 128. The sections of 2008 Iowa Acts, House File 2663,¹¹ amending 2007 Iowa Acts, chapter 179, section 6, and providing for such amendment's effective date, are repealed.

Sec. 129. CONTINGENT EFFECTIVE DATE. This part 5 of this division of this Act takes effect only upon the enactment of 2008 Iowa Acts, House File 2663.¹²

⁷ Chapter 1018, §21 herein

⁸ See chapter 1191, §87 herein

⁹ Chapter 1134 herein

¹⁰ Chapter 1134 herein

¹¹ Chapter 1134 herein

¹² Chapter 1134 herein

PART 6
EFFECT ON PRIOR LAW

Sec. 130. PRIOR USE TAX LIABILITY. The enactment of this division of this Act does not affect a person's liability for any use tax, penalty, or interest owed by the person prior to the effective date of this division of this Act.

Sec. 131. EFFECTIVE DATE. The following sections of this division of this Act take effect January 1, 2009:

1. The section amending section 321.115, subsection 1, as enacted by 2007 Iowa Acts, chapter 143, section 12.
2. The section amending 2007 Iowa Acts, chapter 179.

Approved April 22, 2008

CHAPTER 1114

CHILD IN NEED OF ASSISTANCE PROCEEDINGS
— ATTENDANCE OF CHILD

H.F. 2338

AN ACT relating to attendance at child in need of assistance proceedings.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 232.91, subsection 3, Code Supplement 2007, is amended to read as follows:

3. Any person who is entitled under section 232.88 to receive notice of a hearing concerning a child shall be given the opportunity to be heard in any other review or hearing involving the child. A foster parent, relative, or other individual with whom a child has been placed for pre-adoptive care shall have the right to be heard in any proceeding involving the child. If a child is of an age appropriate to attend the hearing but the child does not attend, the court shall determine if the child was informed of the child's right to attend the hearing.

Approved April 22, 2008